



**The Pharmacy  
Guild of Australia**

**2021-22**

**Commonwealth Pre-Budget  
Submission**

**Improving patient access to health care  
through community pharmacies**

**Contact:**

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## Priorities for the 2021-22 Budget

### Improving patient access to health care through community pharmacies

#### Executive Summary

The Pharmacy Guild of Australia ('the Guild') welcomes the opportunity to provide a pre-Budget submission to the Commonwealth Government for the 2021-22 Budget. This budget submission seeks to improve access to health care for patients, through the establishment and funding of a national opioid dependence treatment (ODT) program, as well as by enhancing patient safety and minimising medication errors by supporting eligible pharmacies with the national roll-out of electronic prescriptions.

#### 2021-22 Budget priorities:

The Guild calls on the Commonwealth Government, through the 2021-22 Budget, to:

**A. Improve patient access to, and affordability of, opioid dependence treatment (ODT) by establishing and funding a national ODT program that covers:**

- 1. the prescribing and dispensing of prescriptions for ODT medicines as part of the Pharmaceutical Benefits Scheme (PBS) under Section 100 of the *National Health Act 1953*;**
- 2. in-pharmacy dose-management and provision of takeaway ODT oral doses; and**
- 3. in-pharmacy administration of injectable ODT medicines.**

**B. Improve patient safety and minimise medication errors by enabling pharmacies to support consumers with the national roll-out of electronic prescriptions.**

# Improving patient access to and affordability of opioid dependence treatment

## Detail of funding request

The Guild seeks improved patient access to, and affordability of, opioid dependence treatment (ODT) by establishing and funding a national ODT program that covers:

1. the prescribing and dispensing of prescriptions for ODT medicines as part of the Pharmaceutical Benefits Scheme (PBS) under Section 100 of the *National Health Act 1953*;
2. in-pharmacy dose-management and provision of takeaway ODT oral doses; and
3. in-pharmacy administration of injectable ODT medicines.

## Rationale

### Opioid problem in Australia

The Guild is committed to assisting community pharmacy reduce the health, social and economic costs of substance misuse in Australia, recognising the significant public benefits of the treatment programs and their capacity to assist individuals to be productive members of society.

Given the magnitude of the issue we believe that a national coordinated approach to the management and treatment of opioid misuse is required.

Consistent with the National Drug Strategy 2017-2026, the Guild, through the community pharmacy network, is committed to reducing drug-related harm to individuals and communities, which includes ODT programs in community pharmacy.

While ODT programs were implemented to help treat dependence on illicit substances such as heroin, the nature of drug dependency is changing with increasing prevalence of the misuse, abuse and diversion of prescription opioids such as oxycodone and fentanyl. Despite this change in drug dependence, ODT remains an effective policy in reducing the health, social, crime and economic burden of opioid misuse.<sup>1</sup>

While Australia is an international leader in efforts to reduce the harm caused by illicit drugs and improper use of prescription opioids, much more can be done to increase the availability and accessibility of treatment for persons with drug dependency issues.

The growing number of people dependent on opioids is a cause of concern, both internationally and within Australia. Between 2016 and 2017 in Australia 3.1 million people had one or more prescriptions dispensed for opioids, over 40,000 people used heroin, and about 715,000 people used painkillers/analgesics and pharmaceutical opioids for illicit or non-medical purposes.<sup>2</sup>

There are nearly 150 hospitalisations and 14 emergency department presentations involving opioid harm every day in Australia, and 3 people die from drug induced deaths involving opioid use daily.<sup>3</sup> This data represents a massive growth in opioid related harm over the last 20 years, and this trend is continuing to have an impact on our communities. Australian Bureau of

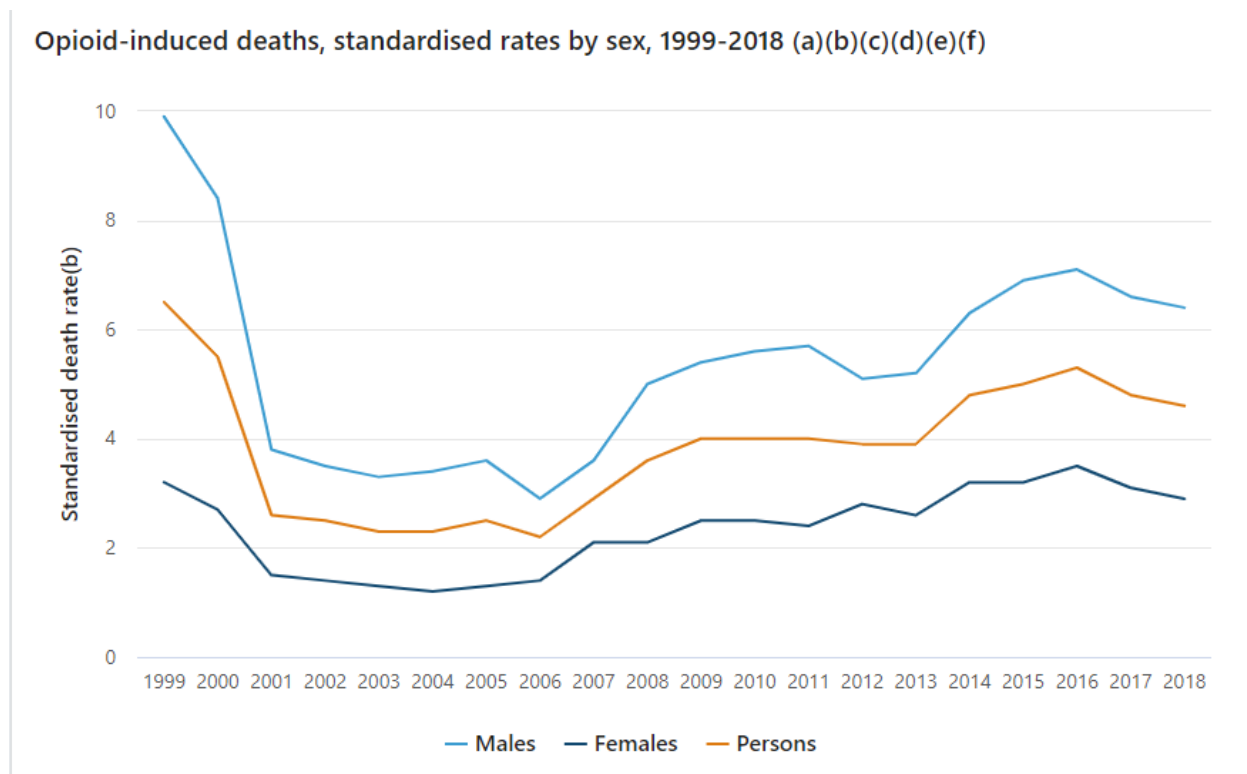
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<sup>1</sup> Nicholas Lintzeris; Medicine Today; [Prescription Opioid Misuse Supplement June 2015](#)

<sup>2</sup> [Opioid harm in Australia: and comparisons between Australia and Canada, Summary - Australian Institute of Health and Welfare \(aihw.gov.au\), 9 Nov 2018](#)

<sup>3</sup> *Ibid*

Statistics data<sup>4</sup> shows opioid increased deaths increasing over recent years after significant reductions in the early 2000s.



Source: Graph from "Opioid-induced deaths in Australia", 2019, Australia Bureau of Statistics (<https://www.abs.gov.au/articles/opioid-induced-deaths-australia>)

Efforts are being made at both Commonwealth and State and Territory levels to address the opioid crisis, including changes to accessing pharmaceutical opioid products as part of the PBS as well as non-prescription opioids. The Commonwealth and State and Territory governments are also working together to implement real-time monitoring systems for prescribers and pharmacists to manage the over-prescribing and misuse of prescription opioids.

ODT remains the standard treatment for managing opioid dependency to either pharmaceutical or illicit opioid use. Methadone and buprenorphine are included on the World Health Organization Model List of Essential Medicines. The Commonwealth Government has an obligation to build on their current funding of these medicines, to include standardised dispensing and supply arrangements around Australia which would help to increase the availability and accessibility of ODT as well as provide equity of access irrespective of where a person lives.

## Barriers to Participation for Consumers

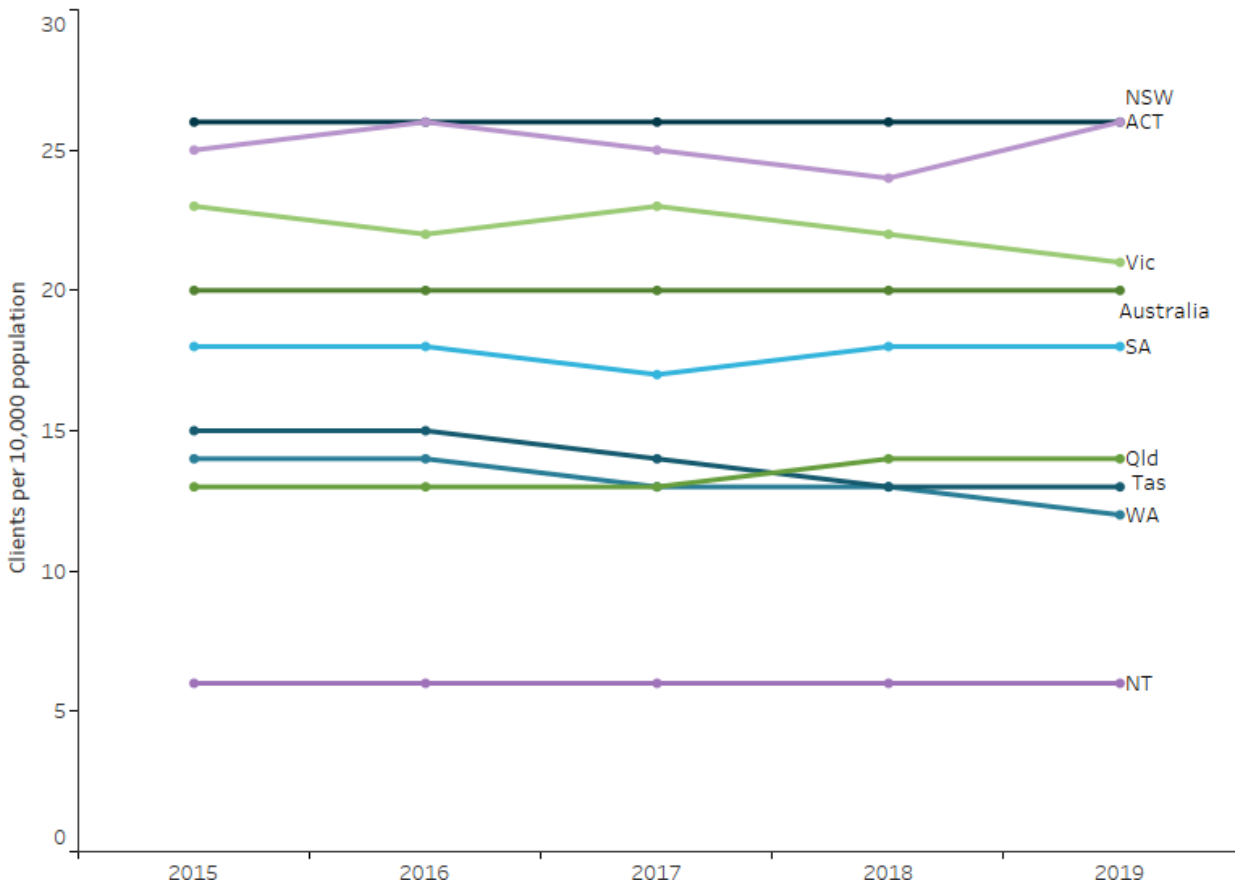
### Accessibility

For many consumers, accessibility problems exist in relation to prescribing practitioners and to dispensing services. Consumers wanting to enter treatment often have to wait for entry into a state-based program. The number of people waiting and the length of waiting time are difficult to determine and vary considerably across jurisdictions and geographical locations. Problems associated with accessibility are not limited to rural and remote areas with limited access a problem in urban and regional areas. Increasing the number of community pharmacies

<sup>4</sup> Opioid-induced deaths in Australia; 25/9/2019; <https://www.abs.gov.au/articles/opioid-induced-deaths-australia>

providing ODT services and reducing the financial barrier for community pharmacy-based ODT services are two ways to improve access to ODT programs for opioid-dependent people.

The rate of clients receiving pharmacotherapy treatment for their opioid dependence has remained relatively stable over the last decade. The Australian Institute of Health and Welfare recorded on a snapshot day in June 2019 that there were 50,945 people receiving ODT services, and of these 72% of clients received their treatment at a pharmacy.<sup>5</sup>



Source: Graph from “National Opioid Pharmacotherapy Statistics Annual Data”, 2019, Australian Institute of Health and Welfare ([www.aihw.gov.au](http://www.aihw.gov.au))

It is estimated that there could be as many as an additional 40,000 people who could potentially access and benefit from ODT programs.<sup>6</sup>

**Affordability**

There are a number of barriers that prevent people seeking treatment for opioid dependence. Both Australian and international research suggests that affordability is a major barrier to accessibility of ODT services and has a significant impact on the patient retention of these programs.<sup>7</sup>

Difficulty in meeting dose management costs is a major area of concern which creates barriers to continuing treatment in ODT programs with people on fixed incomes such as Newstart Allowance or the Disability Support pension spending 10-15% of their weekly income before

<sup>5</sup> [National Opioid Pharmacotherapy Statistics Annual Data collection 2019, Opioid pharmacotherapy dosing points - Australian Institute of Health and Welfare \(aihw.gov.au\)](http://www.aihw.gov.au)

<sup>6</sup> [National-MATOD-Summit-Report-2018.pdf \(harmreductionaustralia.org.au\)](http://harmreductionaustralia.org.au)

<sup>7</sup> [ibid](#)

factoring in other associated costs.<sup>8</sup> A 2009 research paper highlighted that 33% of the costs spent on pharmacotherapy were met by the consumer.<sup>9</sup>

Consumers incur costs associated with:

- pharmacotherapy dose management<sup>12</sup>
- other fees (such as the gap between the fee charged by the medical practitioner and the Medicare Benefit)
- other costs (such as travel).

The current system in place does not do enough in addressing any financial barriers that may be keeping more patients from committing to treatment. There is a financial inequity for patients receiving pharmacotherapy treatments when compared to other medicines listed on the PBS. By standardising the funding of ODT programs across the country via the Guild's proposal, ODT programs would become more attractive to potential patients and could also increase compliance with existing patients.

### **A nationally consistent Opioid Dependence Treatment Program**

The Commonwealth Government does not recognise prescriptions for PBS-listed ODT medicines for dispensing and remuneration as a pharmaceutical benefit. Neither does the Commonwealth directly fund or administer ODT service programs or have a direct role in the delivery of these services, delegating responsibility to the States and Territories.

Currently State and Territory based ODT programs operate in a complex environment with varied service delivery, funding models, distribution, and effectiveness. This variation influences the cost of the service for community pharmacies, which in turn flows on to the patient. Unfortunately, the financial burden placed on the patient in accessing treatment is dependent on their location. The Australian Capital Territory (ACT) Government's remuneration model is effective and beneficial for both patients and pharmacies, and this plays a role in the ACT also having one of the highest rates of patients receiving opioid pharmacotherapy treatment in Australia. A nationally consistent approach to funding would significantly reduce the financial barrier to ODT services and give more people the opportunity to access treatment.

The Guild recommends a national coordinated approach to the management and treatment of opioid misuse as part of the PBS that recognises the prescribing and dispensing of ODT as a pharmaceutical benefit and consistent with providing eligible patients access to other pharmaceutical benefits. This would be complemented by Commonwealth funded in-pharmacy dose-management and provision of take-away oral ODT medicines as well as the administration of injectable ODT by trained pharmacists, providing program consistency in access, care and support through the preferred community pharmacy for eligible community-based patients across Australia.

As with other PBS arrangements, the states would be responsible for managing and funding ODT services through their state-based clinics, including for in-patients and prison detainees. This would enable the states to concentrate their efforts on higher-risk or poorly-controlled patients requiring more intensive support with community-based care managed through General Practice and other approved prescribers and the community pharmacy network.

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<sup>8</sup> Harm Reduction Victoria; [Submission 345 review of Pharmacy Remuneration and Regulation](#); 23 Sep 2016

<sup>9</sup> Modelling pharmacotherapy maintenance in Australia; Australian National Council on Drugs Research Paper; 2009; [http://www.atoda.org.au/wp-content/uploads/rp19\\_modelling.pdf](http://www.atoda.org.au/wp-content/uploads/rp19_modelling.pdf)

**PBS Prescribing and Dispensing**

Under current arrangements, the Commonwealth Government funds the wholesale cost of all ODT medicines in Australia under the Section 100 Opiate Dependence Treatment Program of the PBS. The Guild recommends this arrangement continue under a Commonwealth Government funded ODT program, which will also overcome the issue of variable prescribed quantities based on patient dosing.

Currently, pharmacies dispense ODT medicines to patients on a private (non-PBS) prescription, with the patient payment for dispensing and dose-management not contributing to the PBS Safety Net Record. The Guild recommends the prescribing and dispensing of prescriptions for ODT medicines be aligned with that of other PBS medicines with prescriptions issued by approved prescribers for up to four-weeks’ treatment and five repeats which can be dispensed from the patient’s preferred community pharmacy. Approved pharmacists would be remunerated for dispensing the prescription as a pharmaceutical benefit and the patient would pay the relevant PBS co-payment for four weeks’ treatment at \$6.60 for concessional patients and up to \$22.50 for general patients based on dispensing remuneration for January 2021. As with other PBS medicines, the Patient co-payment would also contribute to the PBS Safety Net Record. Such an arrangement would ensure equity of access and limit the patient costs for this essential service to some of the most vulnerable and financially disadvantaged members of our society.

The costs to patients and Government per prescription are summarised below.

	<u>Costs to patient</u> <i>per prescription*</i>	<u>Costs to Government</u> <i>per prescription*</i>
Concessional Safety Net	Nil	\$16.82
Concessional	\$6.60	\$10.22
General Safety Net	\$6.60	\$10.22
General	\$22.50	Nil

\* It can be expected that prescriptions would mostly be issued for four-weeks’ supply.

**ODT Dose-management**

Under the Guild’s proposed Commonwealth Government funded ODT program, participating PBS approved pharmacies would receive a government subsidy for in-pharmacy dose-management and provision of takeaway doses for oral ODT medicines. Under this arrangement, the Commonwealth would cover the full costs to the pharmacy for providing the service without the need for any patient contribution, encouraging more pharmacies to provide the service and ensuring the service remains affordable for patients.

The costs to patients and Government for ODT dose management are summarised below.

Costs to patient – Nil

Costs to Government - \$44.82/week for oral dosing ODT patients

**Injectable ODT Medicines**

Long-acting injections of buprenorphine are now available as ODT, providing ODT patients with the option of weekly or monthly injections and reducing the need for daily dose management. A requirement of registration with injectable ODT is that the medicine cannot be supplied directly

to the patient but must be delivered to a clinician for administration. For many patients, this involves delivery by a pharmacy of the injectable ODT to their preferred prescriber. The out of pocket fees for patients for injectable ODT is between \$20 and \$50 per prescription<sup>10</sup>.

The administration of injectable medicines is within the scope of practice for pharmacists and regulated by the States and Territories. The Guild proposes that PBS approved pharmacies are paid a service fee for the in-pharmacy administration of injectable ODT medicines. Under this arrangement, the Commonwealth would cover the full costs to the pharmacy for providing the service without the need for any patient contribution.

The costs to patients and Government for administering injectable ODT are summarised below.

Costs to patient – Nil

Costs to Government - \$25 per injection

### Outcomes

The expected outcomes from the Guild proposal includes:

1. Improved access to ODT services by opioid users and more targeted service provision with the states better enabled to manage and support higher risk patients. This should result in longer term improvements in health, wellness and productivity for opioid users in Australia.
2. Equity of access to ODT irrespective of where a person lives in Australia.
3. Increased affordability and greater equity in the costs for ODT patients.
4. The Commonwealth would have reliable data on ODT use both nationally and regionally which would better assist in determining policy requirements for more targeted management strategies.

### Indicative budget cost (cash basis):

	2021-22	2022-23	2023-24	2024-25
Cost to Patients	\$3,755,591	\$3,835,624	\$3,927,784	\$4,021,823
<b>Cost to Government</b>	<b>\$102,029,631</b>	<b>\$104,232,523</b>	<b>\$107,774,613</b>	<b>\$111,452,220</b>

Total Government costs over four years forward estimates is **\$425,488,987**.

Details on Budget Cost calculations are provided in **Attachment A**.

<sup>10</sup> Harm Reduction Australia's 2020-21 [Pre-Budget Submission](#)



# Improving patient safety and minimising medication errors by supporting community pharmacy for e-prescriptions

## Detail of funding request

The Guild seeks to improve patient safety and minimise medication errors and recommends the Commonwealth allocates funding of \$1,500\* as a bulk one-off payment for each eligible community pharmacy as part of the change management requirements to prepare pharmacies and support consumers with the national roll-out of electronic prescriptions.

\*Based on pharmacy remuneration for the Electronic Prescription Service (EPS)<sup>11</sup> provided by the NHS in the UK; this being the most relevant comparative model for ePrescriptions.

## Rationale

**Optimising a patient's 'ePrescription experience' significantly relies on a community pharmacy's capability to efficiently integrate the dispensing of an ePrescription, both Token and ASL, with its established paper-based workflow system and this requires investment in both new and upgraded technology.**

The patient's 'ePrescription experience' at the pharmacy is arguably the greatest 'change point' for the patient and one that will significantly influence their decision on whether to transition to an ePrescription. Therefore, supporting a pharmacy to optimise its workflows including the upgrading and use of appropriate technologies will have both a real and measurable positive effect on a patient's experience with their ePrescription and this experience will fundamentally be the comparison of accessing their traditional paper prescription medicine versus their new ePrescription.

**Supporting all patients including our vulnerable patient groups to maximise the benefits of ePrescriptions.**

Community pharmacies across Australia continue to support patients of all types of backgrounds with varied healthcare needs and therefore need to be supported to ensure all patient groups are given the best opportunity to utilise digital health initiatives including ePrescriptions through their community pharmacy.

**Community pharmacies have been required to adapt and invest the most when integrating ePrescriptions into both their clinical and business workflows and as volumes increase, the need for pharmacies to access and utilise appropriate IT infrastructure will only increase.**

As the ePrescription project progresses and more community pharmacies assess their needs for integrating ePrescriptions into their workflows there is an increased need for additional and upgraded IT infrastructure. This includes QR code scanners, additional screens/monitors and mobile computers (laptops and tablets) with the types and range of technologies varying depending on the size of the pharmacy, its existing layout and patient profiles, and the actual volume of ePrescriptions a pharmacy is receiving. On current information it can be estimated that a community pharmacy is needing to invest, at a minimum, \$1,500 in order to optimise its workflow efficiency, maximise the application of its new ePrescription software functionality and deliver an optimised experience for the patient.

**Optimising workflow that supports the Government's digital health program, including assessing, resourcing and then implementing an optimal workflow to best support and deliver initiatives such as the COVID-19 National Health Plan.**

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<sup>11</sup> <https://psnc.org.uk/funding-and-statistics/funding-distribution/it-and-eps-allowances/> < last accessed 19/01/21

Community pharmacies have been at the forefront of the COVID-19 NHP that has included the interim provisions for telehealth; the dispensing of image-based prescriptions and the provision of home delivery services. It will be essential to support a pharmacy’s transition from these interim measures to a viable and sustainable position for the future; one that enables pharmacies to work with local GPs to best support their patient’s digital health journey, whether it be remote or accessed from within the four walls of the patient’s GP or community pharmacy.

**Indicative budget cost (\$ million, cash basis):**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Pharmacy ePrescription	8.643	0	0	0
Bulk Payment				

## ATTACHMENT A: ODT PROGRAM REMUNERATION BACKGROUND

The information below summarises the data and assumptions the Guild has used in our modelling.

### COST OF GOODS

The Australian Government currently covers the manufacturer and distribution costs of ODT so that there is no cost to pharmacy. This will continue under the Guild proposal which came at a cost of \$70.65 million in 2019-20, an increase of \$10.45 million from 2018-19.<sup>12</sup>

### DISPENSING

An authorised prescriber will issue a Section 100 (s100) PBS prescription for ODT for up to 28 days' supply and 5 repeats – equating to 6 months treatment. Dose changes will require the authorised prescriber to issue a new prescription. Participating Section 90 approved pharmacies will dispense the s100 ODT prescription which will be processed in real-time by Services Australia via PBS Online.

Consumers will be charged the PBS co-payment amount (\$6.60 for concessional patients and up to \$22.50 for general patients, based on 2021 PBS fees and co-payments and inclusive of discretionary fees for general patients). The patient co-payment will contribute towards the annual PBS Safety Net threshold.

The Guild proposes that Section 90 approved pharmacies are paid the following for dispensing a S100 ODT prescription:

#### **Year 1 (based on 2021 fees)**

Dispense fee - \$7.74

Administration, Handling and Infrastructure (AHI) fee - \$4.28

Dangerous Drug (DD) fee - \$4.80

Patient co-payment - \$6.60 concessional/\$22.50 general

**PBS subsidy = \$16.82 (less \$6.60 for concessional patients; general patients cover full cost of dispensing)**

#### **Basis/Assumptions**

- Pharmacies receive medicine and consumables (e.g. take-away bottles) at no charge
- 13 prescriptions dispensed per patient per year (28 days' dispensing)
- 45,655 community pharmacy-based patients in 2021-22 inclusive of patients who had avoided treatment due to patient access or affordability and/or transferring from state based clinics
- 89% concessional patients of which 24% reach the Concessional Safety Net
- 11% general patients of which 3% reach the General Safety Net
- Annual indexation

### ORAL DOSING

The Guild proposes that Section 90 approved community pharmacies be remunerated by the Commonwealth for dose management of oral ODT medicine to patients based on the remuneration available in the ACT of **\$44.82 per week**<sup>13</sup>, recognising the clinical skills and additional requirements with ODT dose management as compared to standard community pharmacy staged supply services for PBS medicines subject to misuse or abuse.

<sup>12</sup> PBS Expenditure and Prescriptions Report 1 July 2019 to 30 June 2020

<sup>13</sup> ACT ODT Remuneration 2020-21 consists of a mandatory patient contribution of \$15 per week

To optimise patient access and address affordability issues, the Guild proposes that the Commonwealth Government cover the full cost of the dose management service.

#### **BASIS/ASSUMPTIONS**

- 90% of community pharmacy-based patients receiving oral dosing ODT per year
- \$44.82 Government subsidy per week (Year 1)
- Annual indexation

#### **INJECTABLE ODT**

The Guild proposes that Section 90 approved community pharmacies be remunerated for the service of administering injectable ODT medicine to patients in the pharmacy. The proposed service fee takes into consideration the clinical skills in addition to the business costs and additional administrative costs associated with administering an injectable Controlled Drug.

The Guild proposes that community pharmacies be paid a service fee of \$25.

#### **BASIS/ASSUMPTIONS**

- 10% of community pharmacy-based patients receiving injectable ODT per year
- 80% of patients receiving injectable ODT have monthly injections
- 20% of patients receiving injectable ODT have weekly injections
- Annual indexation

#### **LIMITATIONS OF COSTING**

Availability of accurate data about the patient population currently accessing ODT is limited and includes self-reported and observational data as well as data collected by individual jurisdictions. A major source of data was the Australian Institute of Health and Welfare's *National Opioid Pharmacotherapy Statistics Annual Data collection 2019*<sup>14</sup> which provides a quality statement for the data used<sup>15</sup>.

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<sup>14</sup> <https://www.aihw.gov.au/about-our-data/our-data-collections/national-opioid-pharmacotherapy-statistics-annual>

<sup>15</sup> <https://meteor.aihw.gov.au/content/index.phtml/itemId/727462>



## About the Pharmacy Guild of Australia

The Guild is a national employers' organisation with over 90 years of experience in representing and promoting the value of the role of community pharmacy in the Australian health care system. Community pharmacies are a vital part of our national health system with the potential to make an even bigger contribution to the health of all Australians.

The Guild shares with the Federal Government responsibility for the implementation of the National Medicines Policy, as evidenced by successive Community Pharmacy Agreements (CPA) enshrined in the *National Health Act 1953*, including the current 7<sup>th</sup> CPA underpinned by the shared principles of:

- Stewardship of the health system and a shared responsibility for the stewardship of the PBS.
- Partnership in the implementation of Australia's National Medicines Policy.
- Stability and certainty of the Government's investment in the medicine supply chain, as well as timely availability of medicines through a well-distributed community pharmacy network.
- Integrity of Australia's health system, including patient safety and high value clinical care.

The Guild and the broader community pharmacy network have made significant contributions to the achievement of the National Medicines Policy objectives for patient outcomes, while at the same time enabling the ongoing (fiscal) stability of the PBS by working with successive Governments on budget savings measures.