



The Fifth Community Pharmacy Agreement



The Fifth Community Pharmacy Agreement between the Federal Government and the Pharmacy Guild of Australia includes the following provisions:

- **Remuneration:** As previously announced, the Fifth Agreement will commit the Federal Government to more than \$15 billion over the five years from 1 July 2010. This is an increase on the previous Agreement which was \$11.6 billion over the five years to 30 June 2010.
 - The current dispensing fee of \$6.42 is preserved. However, there will be a freeze on the fee for the first two years of the Agreement (i.e. no indexation increases).
 - The Agreement also retains and indexes the \$1.53 premium free dispensing incentive payment.
 - The 40 cents per prescription PBS Online incentive payment will cease from July 2010.
 - The Government has agreed to retain the community pharmacy location rules which ensure fair and equitable access by consumers to pharmacy products and services across Australia. This includes retention of the Ministerial determination relating to supermarket co-location.
 - \$949.8 million for the Community Service Obligation funding pool, which underpins the equitable and timely distribution of PBS medicines by wholesalers across Australia.
- **ePrescribing:** As part of the Agreement, community pharmacies will receive 15 cents per electronic prescription dispensed. This will assist in offsetting the costs associated with electronic prescriptions. E-prescriptions improve patient safety by reducing transcription errors. They also support the core principles of electronic health records for all Australians; Quality Use of Medicines (QUM); and improved compliance to improve therapeutic outcomes for patients.
- **Quality Care Pharmacy Program:** The Agreement includes a boost to quality assurance through Pharmacy Practice Incentives and Accreditation. This program will provide incentives to accredited pharmacies that achieve defined patient care outcomes. New measures have been included which organisations including the Guild will need to meet before they can assess or audit pharmacies against the quality assurance standards.

The current Quality Maintenance Allowance incentive will continue unchanged at least for the first twelve months of the new Agreement so pharmacies undergoing assessment from July 1, 2010 should have no concerns about the transition from the Fourth Agreement incentives to the new arrangements.

- **Medication continuance (Repeat Prescribing):** The Agreement contains a commitment by the Guild and the Federal Government to work together with State and Territory Governments to establish processes which will allow pharmacists to supply a single standard pack of continuous therapy medicine to a patient under specific circumstances in the absence of a current prescription. This program will be known as Medication Continuance although it is sometimes termed Repeat Prescribing in other countries. Implementation of this measure will require amendment to legislation relating to the supply of medicines across all State and Territory jurisdictions. The objective of Medication Continuance is to facilitate patient adherence to chronic treatment medicines and to prevent treatment interruption due to the inability to obtain a timely prescription renewal. The first stage of Medication Continuance will begin with two therapeutic categories; the Oral Hormonal Contraceptives; and Lipid Modifying Agents. The Agreement provides \$1 million for the development of protocols and IT modifications required to implement the program.
- **Medication management:** The Agreement will deliver a range of programs aimed at ensuring people use their medicines appropriately. These programs are:
 - **Medicines Use Reviews (MUR)**
The MUR is a new program that will provide an in-pharmacy medicine review between pharmacists and patients to enhance the quality use of medicines and reduce the number of adverse medicines events. A pilot will be conducted and evaluated before a national roll out in year three of the Agreement.
 - **Home Medicines Review (HMR)**
This existing program will continue under the Fifth Agreement with an increased allocation compared to the Fourth Agreement. This program aims to enhance the quality use of medicines through a medication review conducted in the patient's home. The program will be modified in this Agreement to focus on those patients deemed to be at most risk

of medication misadventure, such as immediately after discharge from hospital, and also those patients taking medicines that require careful monitoring. Sadly, because of the Government priority on patient focussed services, while the Home Medicines Review program will continue under the 5CPA, the MMR Facilitator Program will not receive further funding. The HMR Accreditation Incentives also will not be funded beyond 30 June 2010.

- **Residential Medication Management (RMMR)**

The RMMR program funds approved, accredited pharmacists to conduct medication reviews for permanent residents of Commonwealth-funded residential aged care facilities. The funds allocated for RMMR is an increased allocation compared to the Fourth Agreement. The RMMR program will be modified for the Fifth Agreement with particular emphasis on funding best practice reviews.

- **Diabetes Medication Management Service**

This new program will be delivered to patients with type 2 diabetes who are newly diagnosed or whose diabetes is less than ideally controlled. The availability of this service will be directed to pharmacies in those areas where other diabetes services are not adequate to meet the need of the local population.

- **Dose Administration Aids:** This program will assist patients in the community to better manage their medicines so as to avoid medication misadventure and possible hospitalisation. The program will provide funding to pharmacies for meeting certain performance requirements concerning patient eligibility and compliance arrangements.

- **Patient Service Charter:** Pharmacies will be required to display and comply with a new Patient Service Charter. This charter will outline the roles and responsibilities of the pharmacist and the pharmacy and will identify the level of patient care that can be expected from any pharmacy.

• **Aboriginal and Torres Strait Islander Health:**

The Agreement will provide funding for the Section 100 Support Allowances to Remote Area Aboriginal Health Services. These allowances are paid to approved pharmacies and approved hospital authorities to improve the quality use of medicines by clients of remote Aboriginal Health Services. Additionally, the Agreement will provide funding to support rural and urban Aboriginal Health Services to improve quality use of medicines. The Agreement will also continue to support the Aboriginal and Torres Strait Islander pharmacy workforce.

In addition, more support will be given to pharmacies which provide medicines in bulk to community controlled Aboriginal Health Services.

• **Rural and remote pharmacy services:**

The Agreement will renew the commitment of the Federal Government and the Pharmacy Guild to supporting the Rural Pharmacy Workforce program. This in turn contributes to the access to quality pharmacy services for patients in rural and regional parts of Australia. The Agreement will fund the Rural Pharmacy Maintenance Allowance. This allowance is a monthly payment to eligible proprietors of approved pharmacies in recognition of the additional burden of maintaining pharmacy services in rural and remote areas.

• **Identifying and documenting medicine related issues:**

This new program will provide support for pharmacists to identify, resolve and document drug related issues identified within community pharmacies. The program will improve patients' understanding of their medicines, and reduce the number of unnecessary adverse medication events.

- **Use of medication charts:** Arrangements will be put in place during the fifth agreement to enable supply and PBS claiming from a medication chart in Residential Aged Care Facilities. This will streamline supply, claiming and governance issues for pharmacists and will ensure medicines are supplied in accordance with the prescriber's most recent intentions.

- **Governance:** Under new agreed governance arrangements, the Agreement Consultative Committee (ACC), comprising Guild and Departmental representatives, will assume overall responsibility for the implementation of all aspects of the Agreement including remuneration issues, the CSO, location rules, electronic prescriptions, and all professional programs and services. The PPSAC (from 4CPA) is to be replaced by a new advisory body, known as the Programs Reference Group (PRG). This body, which will include for the first time industry and consumer representation, will advise the Minister and the ACC on the policy dimensions of new and continuing programs.

- **PBS price change notification:** The Agreement will also introduce improved PBS price change advice procedures. These new rules will give community pharmacists up to five weeks' notice of price changes (compared with the previous maximum two weeks' notice), allowing more certainty in stock management.