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AMA submission – JCPAA review of ANAO audit of Fifth Community Pharmacy Agreement administration

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The AMA fully supports the new cost effectiveness evaluation requirements in the new Sixth Community Pharmacy Agreement (CPA) which will ensure only programs that enhance patient care are funded.

These are a direct result of the ANAO report on the administration of the Fifth CPA and its assessment that value-for-money for programs funded under the agreement could not be demonstrated. The AMA also raised this concern in its submission to the Pharmacy Guild of Australia of July 2013 in response to its 'mid-agreement' consultation.

These requirements will also focus pharmacists' efforts on what they do best – improving the quality use of medicines – rather than supporting activities which seek to expand their scopes of practice into non-pharmacist areas. For example, the AMA is doubtful that pharmacy 'preventive' activities such as skin or blood pressure checks would pass any cost-effectiveness test.

However, the CPAs continue to perpetuate a silo approach to funding health care. Instead, the current and future CPAs should have the scope to support collaborative models that improve the quality use of medicines and deliver savings to the PBS.

The costs to the health system associated with overprescribing, medication misuse, adverse drug events (ADEs), and preventable hospital admissions are significant.

A study by Picton and Wright (2013) estimated that rates of patient non-compliance with their medications are as high as 33%, and the Australian Commission on Safety and Quality in Health Care (ACSQHC) estimates there are 230,000 medication related admissions to hospitals annually, costing an estimated $1.2 billion (Roughead et al, 2013).

The AMA believes that there are significant benefits to be gained from integrating non-dispensing pharmacists within general practices as part of a GP-led multi-disciplinary team.

While there has been a strong trend to have allied health professionals and nurses working in GP-led multi-disciplinary teams this, to a large extent, has not included pharmacists.

The AMA has proposed that the Commonwealth Government establish a funding program to integrate non-dispensing pharmacists within general practices. The role of the general practice

pharmacist would not include dispensing or prescribing medication or issuing repeat prescriptions. The AMA proposes that non-dispensing pharmacists in general practice will focus on medication management, in particular:

- medication management reviews conducted in the practice, an Aboriginal Health Service, the home or a Residential Aged Care Facility;
- patient medication advice to facilitate increased medication compliance and medication optimisation;
- supporting GP prescribing;
- liaising with outreach services and hospitals when patients with complex medication regimes are discharged from hospital;
- updating GPs on new drugs;
- quality or medication safety audits; and
- developing and managing drug safety monitoring systems.

Supplementary activities, depending on the needs of individual practices, could include activities such as patient education sessions, mentoring new prescribers and teaching GP registrars on pharmacy issues.

Independent analysis undertaken for the AMA by Deloitte Access Economics also shows that the integration of pharmacists within general practices will deliver net savings to the health system, primarily through fewer avoidable hospital admissions and a reduction in the utilisation of medications. The analysis shows that the AMA's proposal delivers a benefit-cost ratio of 1.56, which means that for every $1 invested in the program it generates $1.56 in savings to the health system.

The Commonwealth could utilise a number of different models to fund the introduction of non-dispensing pharmacists in general practices and, in this regard, the AMA has proposed the establishment of an incentive payment scheme similar to that which exists for GP practice nurses.

While this is the AMA's preferred funding model, we note that an innovative and collaborative program like this cannot be funded or trialled under the new CPA.

Finally, the AMA notes that the current CPA enshrines the pharmacy location rules (and protection from competition) until 2020, albeit with a commitment to fund an independent review of the pharmacy sector including its remuneration and regulation.

The review should investigate whether the CPA's financial support of the current number of pharmacies and pharmacists is appropriate and whether some rationalisation would better benefit the health care sector as a whole and increase the efficiency of Government expenditure.

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