



# Pharmaceutical Society of Western Australia Inc.

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## Senate Inquiry – Supply of Chemotherapy Drugs

### Background

Cancer is reported to affect nearly one third of the Australian community at some stage in their lives. The number of newly diagnosed cancer cases is increasing steadily, as is the number of people living with a diagnosis of cancer. In Western Australia (WA) in 2009, 10,805 people were diagnosed with cancer and 3862 people died of cancer. The Cancer Council (WA) estimates that 75,000 West Australians are currently living with cancer.

Cancer incidence is increasing in WA. There are more cases of cancer and the proportion of people requiring specialist medical care is increasing and will continue to increase in the future. Within the Perth metropolitan area demand for specialist cancer services is already high. Major public sector chemotherapy treatment facilities are already operating at full capacity. The Cancer Council (WA) considers that the health system in WA is over stretched and additional pressure is being generated with Western Australia's cancer specialty workforce not keeping up with Western Australia's rapid population growth.

Western Australia has specialist cancer care services in inpatient and outpatient settings provided through WA Health and the private sector. Nationally, the private sector provides 60% of all chemotherapy doses. The Western Australian Cancer Plan (2012-2017) published by the Department of Health, recognises the significant and important contribution the private sector makes to cancer care and considers that private sector services are critical to achieving the goals of the WA Cancer Plan.

In Western Australia, the private sector plays a significant role in the safe and effective delivery of chemotherapy services in both metropolitan and rural areas with Ramsay Healthcare and St John of God Healthcare providing the majority of care. Chemotherapy service providers are listed in the following table:

Private Sector	Public Sector
Joondalup Health Campus (Ramsay Healthcare) Hollywood Private Hospital (Ramsay Healthcare) St John of God Subiaco St John of God Murdoch St John of God Geraldton St John of God Bunbury Mount Hospital (Healthscope) Peel Health Campus (Health Solutions WA)	Sir Charles Gairdner Hospital (adult) Princess Margaret Hospital (paediatrics) King Edward Memorial Hospital (womens) Royal Perth Hospital (adult) Fremantle Hospital (adult) Rockingham Hospital (adult) Armadale Hospital (adult) Outreach services provided to regional WA

### **Patient access to treatment**

Outcomes of patients treated with cancer in Australia are amongst the best in the world. In WA (2009) there was no significant difference in the mortality rate in regional and metropolitan areas. This is largely the result of the effectiveness of current services, including the significant contribution of the private sector. The private sector is critical in providing capacity to deliver chemotherapy treatments to the population of Western Australia. **Any activity which impairs the viability of the private sector in delivering these treatments will substantially impact the ability of Western Australians to access chemotherapy services.**

The provision of chemotherapy products through private pharmacy service providers is an essential component of private cancer services. The Pharmaceutical Society of WA is concerned that failure to resolve the outstanding chemotherapy funding issue will result in:

- A reduction in chemotherapy treatments available through the private hospital system and a transfer of oncology patients from the private to the already stretched public hospital system. The public hospital system does not have the capacity to deal with such a reduction in services provided by the private hospital sector. Feedback in Western Australia indicates that the public sector does not have the staff, nor funding for staff, to provide a substantial increase in treatments.
- Severe disruption for patients, particularly those in rural and remote areas, who may need to travel further for treatment or have delayed access to treatment should smaller rural centres no longer provide access to treatment. The significant contribution in terms of outcomes and access to treatment, the private sector plays in Western Australia in treating rural cancer patients should also be noted.

- Reduced patient access to oncology clinical trials, as access to these trials requires the same level of specialised staff and facilities as does the provision of chemotherapy.
- The absence of Clinical Pharmacy services, which will result in an increased risk of serious medication errors (associated with no clinical review of chemotherapy orders before compounding and administration) and lack of appropriate ancillary medication provision (which may result in patients being readmitted with out of control nausea and vomiting, patients taking medications inappropriately).

The impact of price disclosure from 1 December 2012 has removed the ability of cross subsidy as the price reduction removed the benefits obtained through discounts provided by pharmaceutical companies. There are no other discounts or sources of income (available through Medicare or private health funds) to replace this loss. Current remuneration (post 1st of December) does not cover costs or provide any return on capital invested on expensive facilities and equipment required for the safe and efficient compounding of individualised chemotherapy medications.

The Pharmaceutical Society of WA is concerned about the current ability for the pharmacy sector to deliver chemotherapy services to cancer patients in Western Australia. Following the December 01 price disclosure measure to docetaxel, annualised savings realised by the Government on cancer drug price reductions amount to \$200M. This is a substantial amount of funding which has been removed from the sector which now threatens the viability of private chemotherapy services. There is another price reduction (of 86.94%) to another major drug on April 01 (paclitaxel, used to treat patients with lung, ovarian, breast, head and neck cancer, and advanced forms of Kaposi's sarcoma). The Pharmaceutical Society of WA is concerned about the viability of the pharmacy sector given the proposed new round of price reductions and that this may result in increased costs for patients, and ultimately result in a reduction in capacity in private sector chemotherapy.

The Pharmaceutical Society of WA urges the government to resolve the outstanding funding issues as a matter of priority.

Contemporary cancer treatment is complex and requires support from highly specialised pharmacy practitioners. Private sector pharmacists must be remunerated to cover the cost of providing chemotherapy with an essential clinical pharmacy service, as well as the cost of transacting with Medicare. The Pharmaceutical Society of WA supports a sustainable funding model which can be achieved through a return to private pharmacy of a proportion of these savings, replacing the cross-subsidisation from trading terms. This may be in the form of a professional fee for service model.

Failure to resolve the funding issue would have significant implications for the population of Western Australia given the significant role private sector pharmacists play in the safe and effective provision of chemotherapy in both rural and metropolitan areas.

### **References**

Department of Health, Western Australia. WA Cancer Plan 2012-2017. Perth: WA. Cancer and Palliative Care Network, Department of Health, Western Australia 2011.

Cancer Council WA (accessed March 2013) <http://www.cancerwa.asn.au/resources/statistics/#wa>

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