**Australian Government**

**Department of Health and Ageing**

Senator Rachel Siewert
Chair
Community Affairs References Committee
Australian Senate
Parliament House
CANBERRA ACT 2600

Dear Senator Siewert

**The effectiveness of special arrangements for the supply of Pharmaceutical Benefits Scheme (PBS) medicines to remote area Aboriginal Health Services**

Thank you for your letter of 30 August 2011, requesting responses to additional questions that have arisen in the course of the inquiry into the effectiveness of special arrangements for the supply of PBS medicines to remote area Aboriginal Health Services.

The Department's responses to the committee's questions are attached.

Please do not hesitate to contact me (Tel: 02 6289 2412 email: Beryl.Janz@health.gov.au ) or Mary-Ann Fisher (Tel: 02 6289 9659 email: Mary-Ann.Fisher@health.gov.au) if you require further information.

Yours sincerely

Beryl Janz
Assistant Secretary
Pharmaceutical Benefits Division
Department of Health and Ageing
12 September 2011

**Senate Community Affairs Committee**

**"Inquiry into the effectiveness of special arrangements for the supply of Pharmaceutical Benefits Scheme (PBS) medicines to remote area Aboriginal Health Services"**

**Department of Health and Ageing**
**Responses to additional questions from the committee**

**Question 1**

Page 9 of the Department's submission in response to terms of reference (b) states that:

> RAAHS Program data provides information on the number of PBS medicines supplied to participating AHSs, but does not include clinical data. Any study of clinical outcomes and adherence to prescribed treatment would require access to and linking of personal level medicine usage and clinical data in accordance with privacy laws. Such a study would require careful design within the constraints of the data and the need to maintain individuals' consent and privacy. Such research is outside the scope and resourcing of the RAAHS Program.

The committee would be pleased to know if there are plans to link the supply of these medicines with the impact on clinical outcomes. If not, why not?

The committee has received evidence from the Centre of Chronic Disease (submission 28) that a request for access to drug utilisation data has been made to Medicare Australia but not provided. Is the Department aware of this request and are you aware of any barriers to providing the data?

A number of other submissions state that providing this data to Aboriginal Health Services would allow the services to better evaluate the impact on patients. The committee would appreciate your comment on the access to drug utilisation data and any plans to link utilisation to improved clinical outcomes for Aboriginal people.

**Answer**

Remote Area Aboriginal Health Service (RAAHS) Program is a supply program and the Department holds data on the PBS items supplied to participating Aboriginal Health Services (AHSs). Once supplied, it is the role of the AHS to record the PBS items provided to their patients, in accordance with state/territory legislation. The Department does not hold information about the medicines provided to clients of AHSs.

The Department has no current plans to link supply data with clinical outcomes. This is outside the scope of the Program and would require access to individual health records kept by participating AHSs to examine drug supply and health outcomes. This would be a major undertaking, requiring considerable research expertise and ethics clearance and would impose a significant reporting burden on participating AHSs.

The Centre of Chronic Disease requested 'drug utilisation data' and this was not provided because:

- The Expert Advisory Panel on Aboriginal and Torres Strait Islander Health found the data requested and the project's methodology would not necessarily answer the questions raised;

- the data requested at AHS level is third party information, and this was not releasable under subsection 135A(1) of the National Health Act[1]; and
- the request for information about pharmacy reimbursement potentially identifies personal information (in this case, pharmacists' income streams).

The Office for Aboriginal and Torres Strait Islander Health (OATSIH) is conducting an evaluation of the Indigenous Chronic Disease Package. In this case OATSIH has received agreement from AHSs participating in the evaluation for the Department to release the supply data relating to their service. However this will not be linked to individual patients and will look at community level indicators. The RAAHS Program data may add to the understanding of medicines usage trends and may be indicative of an increased emphasis on the prevention and treatment of chronic disease for Aboriginal and Torres Strait Islander people in remote locations. This evaluation is due to be completed by early 2013.

The Department may, on request, provide individual AHSs with PBS item data (i.e. the number of each PBS medicine) for medicines supplied to them.

**Question 2**

Page 11 of your submission in response to term of reference (e) states that:

> In Australia, the community pharmacy model is the preferred mechanism to provide PBS medicines to the community. The RAAHS Program recognises the appropriateness of the community pharmacy model in facilitating the supply of PBS medicines to participating AHSs.

The committee would be pleased to know why the community pharmacy model is the 'preferred mechanism' and on what basis this has been determined. In addition, has there been a specific evaluation of the effectiveness of the community pharmacy model for the supply of PBS medicines to AHSs.

**Answer**

As primary health care providers, community pharmacists are involved in health promotion, early intervention, prevention, assessment and general management of health. They are often the first point of contact between the public and the health care system. Community pharmacies deliver medicines to the public in a convenient, affordable and equitable manner.

Community pharmacies access PBS medicines through the Community Service Obligation arrangements whereby the Government financially supports full line wholesalers to ensure delivery of any PBS medicine to Australians, via community pharmacies, within 24 hours, regardless of location.

For these reasons the RAAHS Program uses this existing community pharmacy infrastructure in rural and remote Australia to ensure timely supply of quality PBS medicines.

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[1] subsection 135A(1) of NHA: A person shall not, directly or indirectly, except in the performance of duties, or in the exercise of powers or functions, under this Act or for the purpose of enabling a person to perform functions in relation to a Medicare program or under the indemnity legislation, and while the person is, or after the person ceases to be, an officer, divulge or communicate to any person, any information with respect to the affairs of a third person acquired by the first-mentioned person in the performance of duties, or in the exercise of powers or functions, under this Act.

The RAAHS program also leverages the expertise and knowledge of local pharmacists, and through this process a closer working relationship generally develops which contributes to better health outcomes for the Indigenous clients of AHSs.

There has been no evaluation of the effectiveness of the community pharmacy model for supplying PBS medicines to AHSs.

The RAAHS Program takes advantage of the existing infrastructure for discretion and supply of medicines and to the pharmacy workforce available in rural and remote locations but this does not preclude an AHS from engaging a pharmacist directly.

**Question 3**
Page 15 of your submission, in response to term of reference (f), notes that 3 scholarships and 16 traineeships are offered under the Aboriginal and Torres Strait Islander Pharmacy Workforce Program. Can you provide data on how many recipients have participated in these programs, whether they are still in the workforce, and in which jurisdiction?

**Answer**
Under the Fifth Community Pharmacy Agreement, $3.5 million (GST exclusive) is available for the Aboriginal and Torres Strait Islander Pharmacy Workforce Program. This program comprises two components – the Pharmacy Assistant Traineeship Scheme and the Pharmacy Scholarship Scheme.

The Pharmacy Assistant Traineeship Scheme funds 16 traineeships annually, via payment of up to $10,000 a year to the pharmacy owner who employs the trainee. Since the Program began in February 2008, 83 traineeship placements have been funded in total or in part. Twenty six are currently active, 35 have been completed, 23 withdrew part way through.

The Scholarship Scheme encourages Aboriginal and Torres Strait Islander students to undertake studies in pharmacy at university through making three scholarships valued at $15,000 (GST exclusive) per annum available for a maximum of four years.

Twenty three scholarships have been awarded since the Program began and 13 recipients have now completed their nominated course and commenced work as a pharmacist. Ten scholarships are currently active.

The program, administered by the Pharmacy Guild of Australia on behalf of the Commonwealth, does not currently track students once they have graduated from university or completed their placement in a pharmacy.

The Australian Pharmacy Liaison Forum, comprising eight industry groups, recently announced it will cooperate in undertaking a general pharmacy workforce survey. The workforce survey will be coordinated by the Pharmacy Board of Australia when it issues registration renewal notices and will inform a pharmacy workforce planning forum to be held in 2012.

**Question 4**
Aboriginal Medical Services Alliance Northern Territory (AMSANT) submission states at paragraph 8.4 that there is a funding shortfall of Aboriginal access to the PBS, estimated to be $8 million per annum in the Northern Territory. Can you please comment on this assertion?

**Answer**
The Department is not able to identify the source or verify the statement made by AMSANT. The Northern Territory does however receive the majority of the RAAHS program funding (52 per cent) with expenditure in excess of $20 million in 2010-11.

The RAAHS Program is demand driven, and an increase in health service visits by the remote Aboriginal and Torres Strait Islanders in the Northern Territory would likely result in an increase in RAAHS Program expenditure.

**Questions 5**
Direct employment of pharmacists by Aboriginal Health Services

AMSANT also states at paragraph 8.5 that access to pharmacists is a "vital addition towards improving Aboriginal health in the Northern Territory" and that a funding mechanism should be developed for at least one pharmacist to work in each Health Service Delivery Area.

Providing for employment of pharmacists within Aboriginal Community Controlled Health Services is also recommended in submissions made to this inquiry by the National Aboriginal Community Controlled Health Organisation (NACCHO), Mr Rollo Manning, the Society of Hospital Pharmacists of Australia, Mrs Heidi Williams, Doctor Peter and Jan Bowman, Pharmaceutical Society of Australia, Frances Vaughan from the Centre for Remote Health, Queensland Aboriginal and Islander Health Council, Wurli-Wurlinjang Health Service, Ngaanyatjatjarra Health Service, NT Department of Health, National Rural Health Alliance, Kimberley Aboriginal Medical Services Council, the Centre for Chronic Disease and Professor Ball from Charles Sturt University.

The committee would appreciate the Department's advice on whether there are plans to provide for this, and if not what are the barriers to the direct employment of pharmacists in Aboriginal Health Services?

**Answer**
The section 100 Support Allowance was introduced in June 2001 to provide AHSs with regular access to pharmacists to improve quality use of medicines through visits and telephone/electronic interaction. Up to $14.4 million is allocated for this program under the Fifth Community Pharmacy Agreement. While there may be benefits in AHSs directly employing pharmacists, the remoteness of these AHSs as well as the low population and lack of infrastructure and other services would make it difficult to attract and retain pharmacists, just as it is difficult to attract and retain other health professionals in regional and remote locations.

The Department has no current plans to fund the employment of pharmacists under the RAAHS Program and a commitment has been made to continue the S100 Support Allowance for the period of the Fifth Community Pharmacy Agreement.

Participating AHSs may however, choose to employ pharmacists within their own budgets. For example, they may choose to use Medicare benefits payments received through arrangements under section 19(2) of the *Health Insurance Act 1973*. Under these arrangements, Medicare income is able to be used at the discretion of the AHS for primary health care. An AHS could choose to use the Medicare income towards some of the cost of a pharmacist position.

**Questions 6**
In its submission the Royal Flying Doctor Service states that it is unable to access the s100 PBS program despite estimating that up to 40 per cent of RFDS patients are Indigenous. Can you comment on why the RFDS is unable to access the current program?

**Answer**
The Royal Flying Doctor's Service (RFDS) does not meet the legislative requirements for participation in the RAAHS Program. The RFDS is not an Aboriginal Health Service with a primary function of meeting the health care needs of Aboriginal and Torres Strait Islander peoples; and does not exclusively provide services in remote areas.

The RFDS is funded by the Australian Government to provide services such as health care clinics, primary aero-medical evacuations, medical chests and remote consultations. The Australian Government provided $247m for the delivery of these services during the period 2007-08 to 2010-11.

In some states the RFDS medical chest also contains Schedule 8 drugs (controlled drugs, e.g. narcotic analgesics) which are excluded from the RAAHS program.

**Question 7**
Dose Administration Aids (DAAs)

A number of submissions have raised the importance of DAAs in supporting better adherence to prescriptions however the committee understands that DAAs are not funded under current arrangements. Are there any plans to provide funding for Aboriginal Health Services to supply DAAs?

**Answer**
Remote AHS receive base funding from the Office for Aboriginal and Torres Strait Islander Health or the relevant state/territory government to undertake a range of activities. This could include providing DAAs for specific clients who would benefit (e.g. those taking several medicines a day).

The Department has no current plans to provide dedicated funding for AHSs to supply DAAs under the RAAHS Program.

The QUMAX Program does provide funding for DAAs to urban and regional AHS. In 2010-11 the average national cost of the more than 136,000 DAAs provided through this program was $7.71each.