Pharmaceutical Society of Australia

Senate Select Committee on Red Tape

Inquiry into the effect of red tape on health services

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Purpose

The Pharmaceutical Society of Australia (PSA) makes this submission to the Senate Select Committee on Red Tape (the 'Committee') on the inquiry into the effect of red tape on health services.

About PSA

PSA is the peak national professional pharmacy organisation representing Australia's 30,000 pharmacists[1] working in all sectors and locations.

PSA's core functions include:

- providing high quality continuing professional development, education and practice support to pharmacists
- developing and advocating standards and guidelines to inform and enhance pharmacists' practice
- representing pharmacists' role as frontline health professionals.

PSA is also a registered training organisation and offers qualifications including certificate and diploma-level courses tailored for pharmacists, pharmacy assistants and interns.

[1] Pharmacy Board of Australia. Registrant data. Reporting period: 1 Jul 2017 – 30 Sep 2017. At: **www.pharmacyboard.gov.au/About/Statistics.aspx**

Background

PSA understands as part of its inquiry into the effect of restrictions and prohibitions on business on the economy and community, the Committee will examine the effect of red tape on health services, in particular:

a) the effects on compliance costs (in hours and money), economic output, employment and government revenue

b) any specific areas of red tape that are particularly burdensome, complex, redundant or duplicated across jurisdictions

c) the impact on health, safety and economic opportunity, particularly for the low-skilled and disadvantaged

d) the effectiveness of the Abbott, Turnbull and previous governments' efforts to reduce red tape

e) the adequacy of current institutional structures (such as Regulation Impact Statements, the Office of Best Practice Regulation and red tape repeal days) for achieving genuine and permanent reductions to red tape

f) alternative institutional arrangements to reduce red tape, including providing subsidies or tax concessions to businesses to achieve outcomes currently achieved through regulation

g) how different jurisdictions in Australia and internationally have attempted to reduce red tape, and

h) any related matters.

PSA has previously provided a submission to the Committee on the inquiry into the effect of red tape on pharmacy rules.[2] Given the overlap of the two specific areas of inquiry on which PSA is providing comments, please note that there is some duplication of issues covered in PSA's current submission on health services with the previous submission on pharmacy rules.

[2] Pharmaceutical Society of Australia. Submission to the Senate Select Committee on Red Tape Inquiry into the effect of red tape on pharmacy rules. 2017;Oct. At: **https://www.aph.gov.au/DocumentStore.ashx?id=1c12c076-b066-4e26-a788-4507b0729f62&subId=516655**

Summary

The Pharmaceutical Society of Australia (PSA) provides the following recommendations to the Committee in its inquiry into the effect of red tape on health services.

1. *Allow all prescribers regardless of their practice setting to be able to issue Closing the Gap Pharmaceutical Benefits Scheme (PBS) prescriptions for eligible Aboriginal and Torres Strait Islander people.*

2. *Establish a centrally administered national system for PBS Safety Net arrangements as a matter of priority. This will allow pharmacists to focus on the delivery of timely professional care rather than being burdened by significant administrative tasks. Patients, families and carers will also have clearer, up-to-date information on their Safety Net record and entitlements.*

3. *Harmonise state and territory legislative arrangements for the regulation of medicines. Uniformity of medicines legislation across jurisdictions will promote efficiency and effectiveness in pharmacists' practice and patient care. PSA strongly recommends that work in this area be progressed by Government to commence design and consultation on a model for implementation.*

4. *Prioritise the implementation of electronic prescriptions and electronic prescribing arrangements in a move towards a truly paperless system across Australia. This is likely to contribute to a more efficient healthcare system as well as enhanced medication safety and quality use of medicines for patients and families.*

5. *Improve operational aspects of the PBS authority prescription system so that the professional practice of pharmacists is not burdened and the delivery of patient care is not impacted negatively.*

Comments on red tape issues identified

1. Closing the Gap (CTG) co-payment measure

The CTG Pharmaceutical Benefits Scheme (PBS) co-payment measure is intended to improve access to pharmaceutical benefit items for Aboriginal and Torres Strait Islander patients who are living with, or at risk of, chronic disease.

Prescriptions with CTG annotation attract a lower or nil patient co-payment for the pharmaceutical item. Prescribers eligible to provide patients with a CTG annotated prescription are:

- any medical practitioner working in a practice that is participating in the Indigenous Health Incentive (IHI) under the Practice Incentives Program (PIP)

- any medical practitioner working in an Indigenous Health Service in rural or urban settings, or

- any medical specialist in any practice location, provided the eligible patient has been referred by a medical practitioner working in a practice participating in the IHI PBS co-payment measure under the PIP.

Pharmacists working in the community are generally aware of a person's CTG entitlement based on previous prescriptions dispensed at the pharmacy for chronic conditions. In some situations a person may require an emergency hospital admission due to a medical event which is linked to their chronic condition. For example, a person with type-2 diabetes may experience a serious hypoglycaemic event that requires treatment in an accident and emergency department.

It is PSA's understanding that, at present, prescribers in hospitals cannot issue CTG prescriptions. This means a person who is registered as being eligible for CTG prescriptions has to visit or find a doctor after being discharged from hospital in order to receive an appropriate CTG prescription. This results in delays to treatment and inconvenience to the individual.

This is an example of red tape which is undermining the Government's efforts to improve the delivery of equitable health care to Aboriginal and Torres Strait Islander people. PSA suggests consideration be given to redress this situation urgently.

2. Pharmaceutical Benefits Scheme (PBS) Safety Net arrangements

The PBS Safety Net is intended to assist individuals and families with chronic conditions by protecting them from the cost of the large number of Government-subsidised pharmaceutical benefit items they may need. Once the total contribution of pharmaceutical costs by a patient reaches an annual threshold amount, the cost of items is reduced (or become free of charge) for the remainder of the calendar year.

As recommended in a previous submission to the Committee, it is PSA's firm view that the PBS Safety Net arrangements require urgent attention and changes to the way they operate. There is a significant impost on pharmacists, for example, with regards to:

- ordering, receiving and storing supplies of prescription record forms (PRFs) and other associated paperwork
- the substantial burden of manual recording of dispensed items on a PRF
- posting hardcopies of completed paperwork to Medicare Australia
- administrative tasks expected of pharmacists by patients such as explaining how the Safety Net arrangements work and other intricacies such as certain cost components (e.g. brand premiums or items dispensed through early supply provisions) not contributing towards the annual Safety Net count
- issuing replacement cards.

Patients and carers experience confusion and inconvenience, have difficulty understanding any varying entitlement status, and at times miss out on a reduction in cost they are entitled to when information about their Safety Net total may not be accurate.

PSA believes that this archaic system requires an overhaul and recommends the implementation of a Government-operated central administration system as a matter of priority. Pharmacists should be supported in delivering professional and timely care without being distracted by

administrative tasks. Patients, families and carers must also be able to receive health services they are entitled to in a transparent, understandable and stress-free manner so they can make informed choices and be more engaged in their own health care.

Given a centralised arrangement operates for the Medicare Safety Net, and information and data on pharmaceutical benefit items dispensed as well as linkages of eligible family members are already recorded electronically by Medicare Australia, PSA believes a similar system should not be difficult to establish and operate for PBS Safety Net arrangements.

3. Lack of uniformity of medicines legislation across states and territories

Since July 2010, health practitioners have been registered nationally with the establishment of the Australian Health Practitioner Regulation Agency. This has enabled pharmacists (and other registrable health practitioners) to be able to practise anywhere in Australia with a single registration process. (Prior to this time, pharmacists were required to hold separate state or territory pharmacy board registrations in each of the jurisdictions in which they practised.)

Pharmacists must comply with legislative requirements that impact on professional practice and their work environment. These include statute law and common law as well as codes, guidelines and standards that may be adopted by the registering authority, the Pharmacy Board of Australia. Key legislative instruments relevant to pharmacists include those governing therapeutic goods, health care services, privacy, disability and equal opportunity, competition and fair trading, and workplace health and safety.

The national registration of pharmacists has improved practitioner mobility by lessening red tape. However, the practice of pharmacists is fundamentally linked to legislation governing the control of medicines. This means that, in addition to Commonwealth legislation such as the *Therapeutic Goods Act 1989*, pharmacists must comply with medicines, drugs, poisons and controlled substances legislation relevant to the state or territory in which they practise. This impacts on the profession's ability to practise efficiently and effectively with regards to the handling and management of medicines. As custodians of all medicines, pharmacists regard having uniform national rules for medicines to be a priority issue to remove duplication and, in some cases confusion for patients and families.

It has been reported that Australian Health Ministers have considered ways to improve national coordination and oversight for an effective and efficient system of regulatory controls for poisons including the adoption of such controls which are nationally uniform.[3]

As the Poisons Standard (*Standard for the Uniform Scheduling of Medicines and Poisons*) covers both medicines and poisons, PSA strongly believes that consideration of the national uniformity approach should be extended to include medicines. PSA is aware that there has been general support expressed by stakeholders to have national uniformity of medicines legislation but understand there has not been adequate design of, or consultation on, a model for implementation.

[3] Standing Council on Health. Communiqué. 10 Aug 2012. At:
www.health.gov.au/internet/main/publishing.nsf/Content/E6428A1A8851C26FCA257BF0001B745A/$File/120810.pdf

4. Electronic prescriptions

PSA supports the move towards electronic prescribing and electronic prescriptions to an extent where Australia can claim to have a truly paperless system. This is in the interests of patient safety and timely care, workflow efficiencies for prescribers and pharmacists, and reduction in risk of errors. It is expected that patients and families will also experience convenience and better medication management overall.

The interim report[4] of the Review of Pharmacy Remuneration and Regulation cited Norway, Sweden, Canada and Finland as examples of successful implementation of electronic prescription systems with near universal uptake.

PSA acknowledges that Governments are investing in digital health initiatives more broadly. PSA welcomes the opportunity to continue to work with Government to assist in the context of pharmacists' practice with the implementation of such initiatives.

5. PBS authority system

Under the PBS, a prescriber can write an authority prescription using one of two categories of authority required benefits – *Authority required* (which requires the prescriber to obtain prior approval via post, telephone or web site) or *Authority required (STREAMLINED)* (which requires inclusion of a streamlined authority code on the prescription but does not require prior approval from the Department of Human Services). Examples of red tape issues for each of these authority categories are provided below.

Authority required

Items listed on the PBS have a maximum quantity (generally intended to provide one months' therapy) and maximum number of repeats specified. Where repeats have been authorised by the prescriber on a prescription, there are rules that govern the permitted frequency of dispensing of those repeats.

When a prescriber determines that a patient requires higher dosages, and therefore larger quantities of a medicine, for their therapy, the prescriber must obtain prior approval (i.e. it cannot be a streamlined authority prescription). It is not unusual for a pharmacist to face a situation where prior approval authority has not been obtained by the prescriber (for whatever reason) and the patient requiring higher dose therapy has (or is about to) run out of their medication. Although the pharmacist may be able to apply the Safety Net early supply rule for the dispensing of the particular medicine, payment for this supply would not count towards the patient's Safety Net threshold. This can impact on the patient financially or may disrupt continuity of therapy. Pharmacists also face a difficult situation where the patient perceives the pharmacist is denying them of the medication they need.

The main red tape issue in this example relates to the prescriber's inability to use the streamlined authority option for patients who have a genuine therapeutic need that cannot be met by the standard PBS-listed quantity. However, this represents a reasonably typical scenario where the flow-on effects directly impact on pharmacists' practice and patient care.

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[4] Review of pharmacy remuneration and regulation, Interim report, Jun 2017. At: **www.health.gov.au/internet/main/publishing.nsf/content/7E5846EB2D7BA299CA257F5C007C0E21/$File/interim-report-final.pdf**

Authority required (STREAMLINED)

In the *Authority required (STREAMLINED)* category, a predetermined four-digit code is assigned to each restriction for that streamlined authority item. The correct code (number) must be included on the authority prescription by the prescriber.

From time to time, the code is changed or reassigned by Medicare Australia. If the prescriber is unaware of this and/or has not assigned the correct code, the authority prescription will be rejected at the point of dispensing. As the code relates to the patient's health circumstance and the prescribing decision, pharmacists are not in a position to determine the correct code. This requires the dispensing pharmacist to follow up with the prescriber to obtain or confirm the correct code.

Once again, PSA acknowledges this relates to a red tape issue at the prescriber's end. However, the outcome is that pharmacists are faced with an administrative burden which impacts unnecessarily on professional practice and patients are also inconvenienced.

Summary

Pharmacists have a core focus on the delivery of high quality health services, timely patient care and the best possible health outcome for patients and the community. As highlighted in this submission, pharmacists are aware that some aspects of health service delivery are not optimal from a patient care perspective. PSA would be pleased to work with other stakeholders to assist in initiatives designed to reduce or eliminate red tape which will support better health service delivery to patients and carers.

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