

# Submission to the Senate Community Affairs References Committee Inquiry into the supply of Chemotherapy Drugs such as Docetaxel

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## Purpose

The purpose of this submission is to provide the comments of the Pharmaceutical Society of Australia (PSA) on issues arising from the Terms of Reference of the Senate Community Affairs References Committee's Inquiry into the Supply of Chemotherapy Drugs such as Docetaxel.

## About PSA

PSA is the peak national professional pharmacy organisation representing Australia's pharmacists working in all sectors and locations. There are approximately 27,400 registered pharmacists,<sup>1</sup> of which approximately 80% work in the community sector.

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; and representing pharmacists' role as frontline health professionals.

## Comments against the Inquiry's Terms of Reference

PSA considers there are two issues to discuss regarding the supply of chemotherapy drugs in both private and public hospitals:

1. Cost of medicine to pharmacy
2. Cost of dispensing medicines to patient

### Cost of medicine to pharmacy

Docetaxel, along with a number of other medicines, has been subjected to weighted average price disclosure and the associated price reduction based on its actual price to supply in the market place. The Government is progressing the price reform agenda and the same formula for calculating actual price to supply has been applied to docetaxel as to other drugs. A number of pharmacies and their organisational representatives have acknowledged that they were purchasing docetaxel for significantly less (up to 70%) than the PBS reimbursed price

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<sup>1</sup> Based on Pharmacy Board of Australia data released in December 2012.

and using the funds to cross-subsidise other pharmacy activities associated with reconstitution and supply of the medicine to patients. PSA acknowledges that this was generally done in good faith, with a focus on achieving the best outcomes for the patient who requires a very potent and highly toxic medicine, the supply of which can be complex (as explained in the next section). However, this cross-subsidisation of patient care activities clearly is not a sustainable business model.

### **Cost of dispensing intravenous chemotherapy drugs to patients**

Intravenous chemotherapy drugs require significant professional advice and calculations to individualise the dose for each patient followed by highly technical manipulations by trained pharmacy and technician staff to prepare the medicine in purpose-built facilities using aseptic techniques. These medicines have significant dose-related adverse effects, complex and specific optimal dose ranges that vary with different treatment protocols, defined and precise preparation and administration requirements, and often short shelf-life necessitating accuracy in determining dose, preparation of dose, timing of preparation, delivery and use.

Pharmacists are required to prepare the medicines to meet required stringent product and safety standards and professional practice requirements that includes accuracy, advice and counselling to nursing staff, medical staff and the general public.

All of these factors put the preparation and presentation of a chemotherapeutic agent to a patient, suitable for safe intravenous infusion, in a category of complex dispensing. Feedback to PSA indicates that pharmacists who work in this specialised area are experiencing financial difficulties in supplying chemotherapeutic agents under the current funding arrangements under the *Efficient Funding of Chemotherapy Special Arrangements 2011*.

Pharmacists (pharmacies) are increasingly finding it difficult to provide a number of intravenous chemotherapeutic agents without incurring a financial loss and this is accentuated in those pharmacies that supply to small regional and rural communities.

It is highly likely that smaller businesses (private hospital pharmacies and rural community pharmacies) will not be in a position to continue to provide either a wide range of, or perhaps any, chemotherapeutic agents. This could be expected to have the effect of forcing patients to access these medicines in the public hospital/ oncology clinic setting where the cost of preparation is largely absorbed within broader operational costs.

PSA is concerned to ensure that in such an unfavourable financial environment that pharmacists have the capacity to continue to meet their obligations under PSA's Professional Practice Standards and to assist patients in the safe use of their chemotherapy.

## **Concluding Comments**

The original savings identified under the *Efficient Funding of Chemotherapy Special Arrangements* legislation have been revised a number of times and PSA understands that the projected savings are yet to be realised, however the unintended, yet foreseeable and predicted, consequences have been costly in terms of time, patient health and impact on pharmacists. It is possible that this measure may result in the closure of some smaller

regional and rural oncology clinics or oncology providers, accompanied by an increased demand on the public system to provide these medicines. As a consequence, patients may experience reduced access to services and be forced to travel longer distances to be able to receive treatment. Patients unable to travel longer distances may be at risk of not receiving timely treatment with chemotherapy drugs.

PSA would welcome the opportunity to provide further information and/or to provide evidence to assist the Committee's Inquiry at a public hearing.

## **Submitted by**

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