Australian Government

Department of Health and Ageing

Submission to the Senate Community Affairs References Committee

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

29 July 2011

Table of Contents

Terms of Reference

The effectiveness of the special arrangements established in 1999 under section 100 of the National Health Act 1953, for the supply of Pharmaceutical Benefits Scheme (PBS) medicines to remote area Aboriginal Health Services, with particular reference to:

a) whether these arrangements adequately address barriers experienced by Aboriginal and Torres Strait Islander people living in remote areas of Australia in accessing essential medicines through the PBS;

b) the clinical outcomes achieved from the measure, in particular to improvements in patient understanding of, and adherence to, prescribed treatment as a result of the improved access to PBS medicines;

c) the degree to which the 'quality use of medicines' has been achieved including the amount of contact with a pharmacist available to these patients compared to urban Australians;

d) the degree to which State/Territory legislation has been complied with in respect to the recording, labelling and monitoring of PBS medicines;

e) the distribution of funding made available to the program across the Approved Pharmacy network compared to the Aboriginal Health Services obtaining the PBS medicines and dispensing them on to its patients;

f) the extent to which Aboriginal Health Workers in remote communities have sufficient educational opportunities to take on the prescribing and dispensing responsibilities given to them by the PBS bulk supply arrangements;

g) the degree to which recommendations from previous reviews have been implemented and any consultation which has occurred with the community controlled Aboriginal health sector about any changes to the program;

h) access to PBS generally in remote communities; and

i) any other related matters.

Introduction

On 24 March 2011, the Senate referred the effectiveness of the special arrangements for the supply of Pharmaceutical Benefits Scheme (PBS) medicines to remote area Aboriginal Health Services (AHSs) to the Community Affairs References Committee for inquiry. The Department of Health and Ageing (DoHA) has prepared the following submission in response to the invitation from the Community Affairs References Committee Secretary to the Secretary of the Department of Health and Ageing.

The Australian Government has improved access to Pharmaceutical Benefits Scheme (PBS) medicines and Quality Use of Medicines (QUM) for remote Aboriginal and Torres Strait Islander people through the Remote Area Aboriginal Health Services (RAAHS) Program, and a range of other programs outlined in this Submission.

The RAAHS Program and the other programs discussed in this Submission are consistent with the Australian Government commitment to six ambitious targets to overcome Indigenous disadvantage. Two of these – closing the gap in life expectancy and halving the gap in child mortality within 10 years – relate directly to the health portfolio.

Eighty per cent of the mortality gap between Aboriginal and Torres Strait Islander people and other Australians is due to chronic disease. The RAAHS program is a key element in addressing this for Aboriginal and Torres Strait Islander people living in remote areas.

Through the RAAHS Program, Indigenous people living in remote areas can access, in a culturally appropriate way and at no cost, medicines to address their health needs. This access is essential to improving their health and life expectancy.

In 2004, the performance of the Program was evaluated and since that time improvements have been made.

A number of other Programs complement RAAHS. The Section 100 Support Allowance Program supports QUM in remote areas by funding pharmacists to visit and work remotely with AHSs.

The Expert Advisory Panel on Aboriginal and Torres Strait Islander Medicines (EAP) was established in 2005. It provides advice about the inclusion of medicines on the PBS to treat conditions particular to Aboriginal and Torres Strait Islander health needs.

In 2008, the National Prescribing Service (NPS) established a pilot program of the Good Medicines Better Health Program that is now being implemented nationally. The NPS has also established the Outreach Pharmacists for Remote Aboriginal Health Services Program to support pharmacists educate staff they work with in remote Aboriginal communities.

From its inception in 1999, the RAAHS Program has grown from servicing 35 remote Aboriginal Health Services to 173 in 2011.

The supply of PBS items has increased from around 250,000 in 1999-2000 to more than 1.4 million in 2010-11.

In 2010-11, expenditure under the RAAHS Program had grown to $43 million from $3.9 million when it commenced in 1999.

Around 170,000[1] Aboriginal and Torres Strait Islander people are estimated to benefit from the increased access to PBS medicines and better quality use of medicines activities.

[1] Based on assumptions from Kelaher et al (2004) estimate and Australian Bureau of Statistics data (2009)

Overview of the Remote Area Aboriginal Health Services Program

The Remote Area Aboriginal Health Services (RAAHS) Program is a special supply arrangement administered under Section 100 (S100) of the *National Health Act 1953*.

Pharmaceutical Benefits Scheme (PBS) medicines are supplied in bulk by approved community pharmacies and hospital authorities to approved remote Aboriginal Health Services (AHSs). The PBS items must be supplied directly by the approved pharmacist or approved hospital authority to participating AHSs. Medicare Australia directly reimburses the pharmacists and hospital authorities that are approved to supply the PBS medicines.

The PBS medicines are dispensed to patients of the AHS by a suitably qualified and approved health professional in accordance with state and territory law. For example, a medical practitioner, or an Aboriginal Health Worker or nurse working under the supervision of a medical practitioner would supply medicines, where consistent with the law of the relevant state or territory.

The Department of Health and Ageing (DoHA) assesses and approves applications from AHSs to participate in the Program to ensure they meet the eligibility criteria set out in the *National Health (Remote Aboriginal Health Services Programs) Special Arrangements Instrument 2010* (Attachment A). These eligibility criteria include:

- the AHS must have a primary function of meeting the healthcare needs of Aboriginal and Torres Strait Islander people;
- services must be provided by an AHS located in a remote zone as defined in the Rural, Remote and Metropolitan Areas (RRMA) Classification, 1991 Census edition, namely RRMA 6 or RRMA 7; and
- the AHS must employ or be in a contractual relationship with health professionals who are suitably qualified under relevant state or territory legislation to supply all pharmaceutical benefits covered by these arrangements, and must undertake that all supply of pharmaceutical benefits will be made under the direction of such qualified persons.

Addressing Barriers to Access

The RAAHS Program addresses three barriers that Aboriginal and Torres Strait Islander people living in remote communities experience in accessing essential medicines: geographical, cultural and financial.

Aboriginal and Torres Strait Islander people living in remote communities can experience delays in obtaining medicines through standard prescription-based supply arrangements due to, among other things, the shortage of both prescribers and pharmacists with established services/businesses in these remote areas. They may face difficulty in demonstrating their eligibility for PBS concessional benefits, and they may also have difficulty in affording the medicines they need.

The RAAHS Program uses culturally appropriate services and information that AHSs provide, and replaces the usual prescription form and the need for the person to go to a pharmacy to have the medicine dispensed. By providing PBS medicines without charge to patients, financial barriers are addressed.

Participating Aboriginal Health Services

Participating AHSs are either community controlled services or operated by state/territory governments. Aboriginal Community Controlled Health Services are typically defined as a community managed Aboriginal Health Service, e.g. incorporated and managed by a board of management elected by the community in which they operate. Aboriginal Community

Controlled Health Services can be large multi-functional services with several doctors, or a small outreach clinic in a remote community.

A state or territory-operated AHS typically means a health service operated and or funded, either wholly or in part, by the state or territory, with a predominantly Aboriginal and Torres Strait Islander client base.

Four Memoranda of Understanding (MoUs) were put in place with the Northern Territory, Queensland, South Australian and Western Australian Governments. These set out the framework for cooperation between the Australian Government and the relevant states/territory with respect to the RAAHS Program.

DoHA is exploring options for new MoUs with states/territory governments to strengthen reporting requirements and to ensure ongoing consistency of the MoUs with the program's objective of meeting the health care needs of Aboriginal and Torres Strait Islander people.

Quality Use of Medicines Programs

The RAAHS Program is supported by the S100 Support Allowance Program which supports the Quality Use of Medicines (QUM) in remote areas by funding pharmacists to visit and to work remotely with AHSs in dispensing medicines.

Two programs provided by the National Prescribing Service (NPS) also support the RAAHS Program; the Good Medicines Better Health Program and the Outreach Pharmacists for Remote Aboriginal Health Services Program.

Workforce Programs

In addition, indirect support to the RAAHS Program is provided by a number of pharmacy workforce initiatives that assist Indigenous and non-Indigenous people to work in pharmacy, particularly in non-urban areas. This includes the Aboriginal and Torres Strait Islander Scholarship Program for pharmacy studies and the Rural Pharmacy Workforce Program's Scholarship element for people from rural areas. Such programs increase the likelihood of a larger rural pharmacy workforce, and potentially lead to more pharmacists being available to provide QUM support visits to remote AHSs. In addition, there is the Aboriginal and Torres Strait Islander Pharmacy Assistant Traineeship Program. This Program aims to increase the number of Indigenous health workers employed as pharmacy assistants. Such people could be well placed to work directly for remote AHSs and to support QUM activities.

The RAAHS Program in 2010-11

The Program was implemented in 1999 and a review was undertaken in 2004. Since this review, a number of changes have been made with the aim of improving timely access to PBS medicines and QUM activities in remote communities.

In 2010-11, 38 approved community pharmacies and five approved hospital authorities supplied over 1.4 million PBS items under this Program to participating AHSs, at a cost of over $37 million. Table 1 shows RAAHS Program expenditure for the past five years.

Table 1: RAAHS Program PBS expenditure 2006-07 to 2010-11 ($ million)

Fin year	2006-07	2007-08	2008-09	2009-10	2010-11
Total exp	26.8	32.9	34.1	37.3	43.0

Currently, 173 AHSs are approved to participate in the RAAHS Program servicing over 350 remote communities. Table 2 shows the distribution of participating AHSs.

Table 2: Number of AHSs by State and Territory approved to participate in the RAAHS Program

	Community operated	State/Territory operated	Total
NSW	5	-	5
NT	25	54	79
Qld	5	39	44
SA	5	2	7
Tas	2	-	2
WA	17	19	36
Total	**59**	**114**	**173**

No Aboriginal Health Services in ACT and VIC participate in the RAAHS Program
Although approved, some services may elect not to participate, or may participate on an intermittent basis

Response to the Terms of Reference

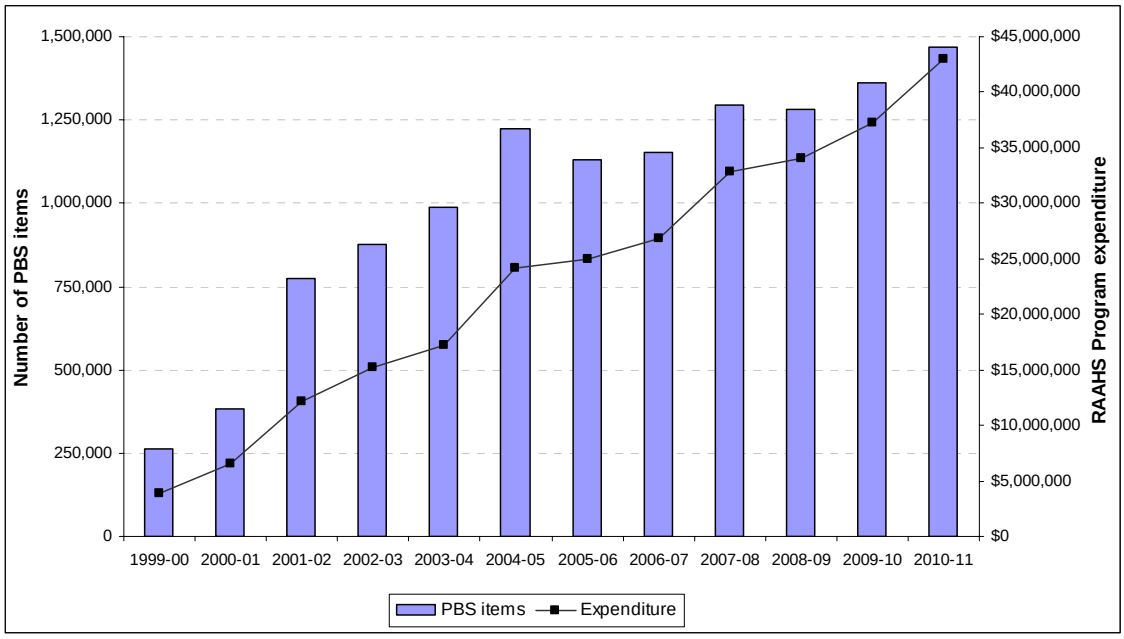
(a) Whether these arrangements adequately address barriers experienced by Aboriginal and Torres Strait Islander people living in remote areas of Australia in accessing essential medicines through the PBS

The RAAHS Program aims to improve access to essential medicines by supplying PBS medicines to patients of eligible remote area AHSs without the need for a normal prescription form, and without charge. The Program was implemented to address the issues and barriers that Aboriginal and Torres Strait Islander peoples living in remote areas face in accessing essential PBS medicines. These included:

- the large distances between pharmacies and more remote Aboriginal and Torres Strait Islander communities, resulting in frequent delays in patients receiving their medication;
- the inability to afford either the concessional or full PBS co-payment. This was exacerbated by the need to produce evidence of concessional status to obtain PBS concessions, where Aboriginal and Torres Strait Islander peoples in remote areas were unlikely to carry their concession cards, and hence were required to pay the general co-payment (or it may be paid by their health service); and
- the need for patients to present PBS prescriptions at a pharmacy located separately from the AHS. Cultural issues (for example, not being familiar with a pharmacy) often lead to patients not filling their prescriptions.

Evidence that the Program is adequately addressing barriers experienced by Aboriginal and Torres Strait Islander peoples in remote communities in accessing essential PBS medicines is reflected by the growth of key indicators. In its first full operational year, the RAAHS Program supplied around 250,000 PBS items to 35 approved AHSs servicing 180 remote Aboriginal and Torres Strait Islander communities. There are now 173 AHSs approved to participate, supplying over 1.4 million PBS items annually to over 350 remote Aboriginal and Torres Strait Islander communities. Chart 1 displays the number of PBS items supplied by the program and the corresponding expenditure.

Chart 1: Number of PBS items supplied to participating AHSs and RAAHS Program expenditure



A major review of the Program, *Evaluation of PBS Medicine Supply Arrangement for Remote Area Aboriginal Health Services under S100 of the National Health Act 1953,* published in 2004 confirmed that the RAAHS Program had improved access to PBS medicines. The review found that the RAAHS Program contributed to a significant increase in the supply of medicines used to treat health conditions particularly problematic in the Aboriginal and Torres Strait Islander communities, such as oral hypoglycaemics (to treat diabetes mellitus) and ACE inhibitors (to treat high blood pressure) when compared to supply of these medicines prior to the introduction of the Program.

(b) The clinical outcomes achieved from the measure, in particular to improvements in patient understanding of, and adherence to, prescribed treatment as a result of the improved access to PBS medicines

As a supply arrangement, the RAAHS Program aims to improve access to essential PBS medicines through the supply of these medicines to approved remote area AHSs. This recognises that improved access to medicines is a critical factor in improving the health status of Aboriginal and Torres Strait Islander peoples. Removal of the co-payment allows the RAAHS program to facilitate affordable access to essential medicines. Addressing these access issues contributes to the potential for enhanced clinical outcomes.

All medicines available through the RAAHS Program must be recommended by the Pharmaceutical Benefits Advisory Committee (PBAC) for listing on the PBS. The PBAC considers each PBS listing submission having regard to the safety, clinical effectiveness and cost-effectiveness (value-for-money) of the medicine for the intended use, in comparison to other available treatments. To the extent that the RAAHS Program provides access to PBS medicines there is a high level of confidence that the medicines themselves have the potential to improve clinical outcomes.

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.

(c) The degree to which the 'quality use of medicines' has been achieved including the amount of contact with a pharmacist available to these patients compared to urban Australians

Whilst the Australian Government acknowledges that from a QUM perspective it may be desirable to have a pharmacist employed at all AHSs, given current rural workforce levels across all areas of the health workforce, it is not practical to expect that this would occur at all participating AHSs and their outstations/outreach clinics. It is difficult to attract and retain pharmacists and general practitioners to many remote areas. However the Government has put in place arrangements to support the involvement of pharmacists and QUM activities for remote AHSs.

<u>The S100 Support Allowance Program</u>

The S100 Support Allowance Program was implemented in 2002 under the Third Community Pharmacy Agreement and continued under the Fourth and Fifth Community Pharmacy Agreement (5CPA).

The Program, through the provision of an annual allowance, financially supports QUM and medication management support services by qualified pharmacists to remote area AHSs that participate in the RAAHS Program.

The Program aims to improve health outcomes for Aboriginal and Torres Strait Islander patients attending remote area AHSs through pharmacist activities including:

- providing advice and support on pharmacy services relating to QUM management, and staff training;
- providing improved access to the services and expertise that pharmacists can provide through increasing the awareness and understanding of medicines;
- addressing cultural and other issues that may affect the effectiveness and acceptability of pharmacy services; and
- developing cooperative arrangements with Indigenous communities that pharmacists service.

The Program also provides AHSs with the opportunity to negotiate arrangements with support pharmacists that suit their particular needs. Through the negotiation of an annual QUM workplan with the support pharmacists, AHSs are able to focus effort on local priorities such as:

- assisting implement appropriate procedures and protocols for managing S100 supply arrangements, including establishing and properly maintaining a medicine store;
- enhancing QUM processes which may include assistance with dose administration aids, participation in regular meetings with health staff, and review of patient medications; and
- providing education services to AHS clinical and support staff, relating to medicines and their management.

A total of $14.4 million has been allocated under the 5CPA to fund this Program. Funding of this Program is addressed in more detail under discussion of Term of Reference (e).

Improvements to this Program over time have increased the number of pharmacists participating and removed restrictions (i.e. support pharmacists are no longer required to be linked to the pharmacy supplying PBS medicines) which had previously limited the capacity of pharmacists to provide medication management support. In remote areas, where community pharmacists are unable to provide support services to AHSs, approved hospital authorities can now provide the required pharmacist support services.

Currently, of 173 remote area AHSs that are approved to participate in the RAAHS Program, 123 benefit from QUM support provided by 23 pharmacists.

Outreach Pharmacists for Remote Aboriginal Health Services Program

The NPS[2] has established the Outreach Pharmacists for Remote Aboriginal Health Services (OPRAH) Program, which supports pharmacists educate staff they work with in remote Aboriginal communities.

[2] The National Prescribing Service (NPS) is the Australian Government's major implementation arm for QUM programs. The Australian Government has funded the NPS since 1998 to assist prescribers, pharmacists and consumers in QUM.
The scope of work of the NPS covers all prescription, non-prescription and complementary medicines. Many of these QUM programs include campaigns such as health literacy and medication management, some of which are targeted directly at Aboriginal and Torres Strait Islander peoples and rural and remote Australia.
For health professionals, the NPS provides independent, evidence based advice and support to assist clinical management decisions and to improve quality prescribing and dispensing. The NPS also provides activities targeted specifically at consumers, including public awareness campaigns, tools and information sheets.

The OPRAH program provides pharmacists with the training, support and resources to promote the safe and wise use of medicines in Aboriginal and Torres Strait Islander Health Services, and through them, the broader community. It equips pharmacists with skills to work with Aboriginal and Torres Strait Islander communities and techniques for teaching Aboriginal Health Workers about safe medicines use [more information on the OPRAH Program is at Term of Reference (f)].

(d) The degree to which State/Territory legislation has been complied with in respect to the recording, labelling and monitoring of PBS medicines

State and territory governments would be best placed to advise on compliance with state/territory legislation with respect to the recording, labelling and monitoring of PBS medicines. The Australian Government is unaware of practices that would contravene state and territory legislative requirements.

(e) The distribution of funding made available to the program across the Approved Pharmacy network compared to the Aboriginal Health Services obtaining the PBS medicines and dispensing them on to its patients

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.

One of the outcomes of having community pharmacies participate in the RAAHS Program as supply agents is to strengthen the relationship between pharmacies and participating AHSs, with a view to improving quality use of medicines.

The Australian Government reimburses the approved community pharmacy/hospital authority for each PBS item supplied to an approved AHS participating in the RAAHS Program. Reimbursement is calculated on the following basis:

1. the approved price to pharmacists; plus
2. a mark-up - the level of mark-up that is applied to the medicine is determined by the cost of the medicine; plus
3. a handling fee which is indexed annually by WCI9 (from 1 July 2011 the handling fee is $2.79)[3].

Under the PBS, community pharmacists receive a dispensing fee of $6.42 per ready prepared prescription. The RAAHS Program handling fee of $2.79 is lower than the dispensing fee paid to community pharmacists recognising that under the RAAHS Program, the activity required to facilitate supply is not equivalent to, and not as intensive as, dispensing to an individual in a community pharmacy context.

In 2010-11 the Australian Government reimbursed $43 million to 38 approved community pharmacies and five approved hospital authorities for supplying PBS medicines to approved AHSs under the RAAHS Program.

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[3] For example, if an AHS orders one unit of Permethrin cream (PBS item 3054R), the supplying pharmacist is reimbursed by Medicare Australia $13.14, i.e. approved price to pharmacist for 3054R of $9.00, PLUS appropriate mark up for 3054R of $1.35 ($9.00 x 15%), PLUS a handling fee of $2.79.

In AHSs where the RAAHS Program has not been implemented, the AHS may assist patients who are experiencing financial barriers by paying the PBS co-payment on their behalf. Under the RAAHS Program, the requirement for a PBS co-payment is removed, and this allows funds previously spent by participating AHSs on the PBS co-payment to be used to provide services to support other areas of need associated with Aboriginal and Torres Strait Islander health. Kelaher et al in their 2004 review found that:

[AHS] budgets for PBS medicines, which were not previously reimbursed through the PBS system, have been able to be reallocated to other areas of Aboriginal and Torres Strait Islander health. Some [AHSs] paid the co-payments for their clients and these funds could also be reallocated to other areas of health service provision under S100 (p 33).

In a number of locations the co-payment cost was previously borne by the [AHSs] which meant that less money was spent on primary care and in some cases meant that clinical staff had to follow up payments to reduce costs to the [AHSs]. Removal of the co-payment and the streamlining of provision of medicine have in many cases increased the time [AHS] staff can spend on clinical care (p 95).

S100 Support Allowance Funding

As noted, the RAAHS Program is supported by the S100 Support Allowance Program. Under the Fourth Community Pharmacy Agreement, a total of $6.33 million was provided between 2005-06 and 2009-10 to support visits by pharmacists to remote area AHSs (Table 3).

Table 3: S100 Support Allowance funding under 4CPA (2005 – 2010)

($ million GST Exclusive)						Total $ million
Funding	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	
Actual	0.37	0.45	1.34	2.39	1.79	**6.33**

QUM assistance continues to be tailored to the needs of the community through a workplan agreed between the AHS and the pharmacist, to meet local needs. The Program is a continuing component of the 5CPA with $14.4 million allocated through to 2014-15 (Table 4).

Table 4: S100 Support Allowance funding under 5CPA (2010 – 2015)

($ million GST Exclusive)						Total $ million
Funding	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	
Allocation	2.5	2.7	2.8	3.0	3.4	**14.4**

The Allowance comprises four components:

- an amount based on medicine volumes supplied to an approved AHS;
- a loading for any outstations/outreach clinics attached to an AHS;
- a loading based on whether an AHS or outstation/outreach clinic is on an island, or the pharmacist is required to travel by boat or aircraft to an AHS or outstation/outreach clinic; and
- a travel loading based on a round trip from the pharmacy to the AHS or outstation/outreach clinic.

Twenty three pharmacies (including one approved hospital authority) are currently participating in the S100 Support Allowance Program, providing support to around 123 AHSs, with individual annual payments ranging from around $8,000 to $337,000 (based on

2009 payments). These payments are dependent upon the number of AHSs and outstations/outreach clinics each pharmacy services. Payments are expected to be relatively consistent under the 5CPA.

(f) The extent to which Aboriginal Health Workers in remote communities have sufficient educational opportunities to take on the prescribing and dispensing responsibilities given to them by the PBS bulk supply arrangements

Aboriginal Health Workers are healthcare providers who are viewed as community role models, opinion leaders, trusted health professionals, and as information gatekeepers who provide health information in culturally appropriate ways.

Aboriginal Health Workers do not prescribe PBS medicines. PBS medicines may be supplied to AHS patients by an Aboriginal Health Worker only on the advice of, and under the supervision of, a suitably qualified and approved health professional, and in accordance with relevant state/territory legislation.

Most jurisdictions have set Certificate III in Aboriginal and Torres Strait Islander Primary Health Care as a minimum qualification requirement[4]. The course provides Aboriginal Health Workers with the skills and knowledge to provide health care services to Aboriginal and Torres Strait Islander patients, usually as part of a team, under ongoing supervision and guidance. Students undertaking this course have the opportunity to complete the 'Assist with Self-medication'[5] unit, providing them with the skills and knowledge to competently assist patients to self-medicate in accordance with relevant Commonwealth and state/territory legislation and relevant industry standards and guidelines.

In the Northern Territory a nationally accredited Certificate IV in Aboriginal and Torres Strait Islander Primary Health Care (Practice) course is the prerequisite for registration with the Territory's Aboriginal Health Worker Registration Board.

The Certificate IV in Aboriginal and Torres Strait Islander Primary Health Care provides Aboriginal Health Workers with the skills and knowledge to provide a range of primary health care services to Aboriginal and Torres Strait Islander patients, including specific health care programs and advice and assistance with medication. To complete the course students must undertake the 'Working with Medicines'[6] unit. This unit provides Aboriginal Health Workers with the knowledge and skills to work with medicines in line with legislative, regulatory and organisational requirements in a multi-disciplinary team with Aboriginal and/or Torres Strait Islander patients. It provides Aboriginal Health Workers with skills to interpret orders and instructions for medication, refer queries appropriately, support patients in their use of traditional and western medicines, administer medications safely, and transport, store and dispose of medicines.

Work on developing a national standard for Aboriginal Health Workers is currently in progress.

In addition, the NPS established the Good Medicines Better Health program with a pilot in 2008 to develop, deliver and evaluate a quality use of medicines train-the-trainer course. Senior Aboriginal Health Workers and national program partners contributed to the development of the training modules and course format and to the evaluation methods and instruments. Three Aboriginal Health Services were selected for piloting the Good Medicines

[4] List of courses and training offered in Australia that are relevant to Aboriginal and Torres Strait Islander health is at http://www.healthinfonet.ecu.edu.au/health-systems/health-workers/health-workers-workforce/training
[5] https://www.tafensw.edu.au/howex/servlet/Course?Command=GetUnitDetails&UnitCode=CHCCS304A
[6] https://www.tafensw.edu.au/howex/servlet/Course?Command=GetUnitDetails&UnitCode=HLTAHW406A

Better Health training. These were located in Melbourne, Victoria; Port Lincoln, South Australia; and the Kimberley area of Western Australia.

QUM training provides Aboriginal Health Workers with a more defined and active role when working with patients, such as 'ambassador' and 'middle person', as well as a role in the screening process, by helping medical staff discuss the use of medicines with patients. In addition, the Good Medicines Better Health Program provided Aboriginal Health Workers with research skills necessary to access internet resources.

The Program is now being implemented nationally, taking into account the lessons learned from the pilot project. The NPS is collaborating with National Aboriginal Community Controlled Health Organisation (NACCHO) and its state based affiliates. The first stage of national implementation is underway in South Australia, Victoria and selected communities in New South Wales.

For 2010-11 the NPS is providing $920,000 for the national implementation of the Good Medicines Better Health Program and plans to provide a further $1.9 million over the next two financial years to 2012-13.

As noted under the discussion at Term of Reference (c), the NPS has also established the OPRAH Program. The Program supports pharmacists to educate the staff they work with in remote Aboriginal communities. It was launched as a pilot program in the Northern Territory in June 2008 and has since been extended to pharmacists working in other remote areas across Australia.

This Program provides pharmacists with the training, support and resources to promote the safe and wise use of medicines in AHSs, and through them, the broader community. It equips pharmacists with skills for working with indigenous communities and techniques for teaching health workers about safe medicines use.

Involvement in the program consists of:

- structured training workshops twice yearly;
- resources to assist the pharmacist to meet the educational needs of the staff and patients at AHSs;
- ongoing support to assist with implementation of the program in AHSs;
- providing educational sessions to the staff at the AHSs on two therapeutic topics annually;
- participating in regular teleconferences to facilitate inter professional discussion and feedback; and
- providing short activity reports at the conclusion of each therapeutic topic outlining the reach of the program within the AHSs.

Participating in the workshops attracts continuing professional development points for pharmacists. Reports of pharmacists' activity under OPRAH are included in the six monthly reports under the Section 100 Support Allowance Program.

With regard to a specific program on medicines use for chronic obstructive pulmonary disease, results have shown that the OPRAH Program has been successful in providing pharmacists with increased levels of confidence in delivering information on the effective use of medicines and also increased levels of confidence in overcoming communication barriers.

In 2010-11 the NPS is providing $60,000 to fund the OPRAH Program and plans to provide a further $140,000 over the next two financial years to 2012-13.

In addition, the Aboriginal and Torres Strait Islander Pharmacy Workforce Program, a continuing measure under the 5CPA, comprises two pharmacy workforce related schemes,

the Aboriginal and Torres Strait Islander Pharmacy Assistant Traineeship Scheme (Traineeship Scheme) and the Aboriginal and Torres Strait Islander Pharmacy Scholarship Scheme (Scholarship Scheme).

The aim of the Traineeship and Scholarship Schemes is to increase Aboriginal and Torres Strait Islander participation in the pharmacy workforce, thereby allowing pharmacies to better meet the needs of their local Indigenous communities. There are three placements for the Scholarship scheme per year and 16 placements for the traineeship scheme per year.

(g) The degree to which recommendations from previous reviews have been implemented and any consultation which has occurred with the community controlled Aboriginal health sector about any changes to the program

Since the introduction of the RAAHS Program in 1999, one major review on the performance of the Program has been conducted. Two other reviews on the role of community pharmacies discuss either the RAAHS Program or the S100 Support Allowance Program as part of their analysis. Implementation of recommendations from these reviews is discussed below.

Evaluation of PBS Medicine Supply Arrangements for Remote Area Aboriginal Health Services Under S100 of the National Health Act (2004)[7]

Funded by DoHA, this evaluation was specifically undertaken to measure the performance of the RAAHS Program. Conducted by the Co-operative Research Centre for Aboriginal Health and University of Melbourne the review found that'*overall S100 [RAAHS Program] has been a very successful program and all respondents supported its continued funding. The program could be strengthened in a number of areas, including QUM* (Kelaher et al 2004, p173)'. The evaluation made almost 60 recommendations.

DoHA has implemented a number of initiatives that address many of the recommendations presented in the report, these include:

1 The introduction of the Expert Advisory Panel on Aboriginal and Torres Strait Islander Medicines (EAP) in 2005 to provide expert advice to DoHA and to the PBAC (where relevant) on:
   - medication needs in Indigenous health settings which are unmet by medicines available through the PBS;
   - developing guidance for sponsors and the PBAC for use in the development and assessment of applications for inclusion of medicines on the PBS to treat conditions particular to Aboriginal and Torres Strait Islander health needs;
   - the development of data which provide guidance on the effectiveness of medicines in treating conditions particular to Aboriginal and Torres Strait Islander health needs;
   - aspects of proposed applications to list medicines on the PBS, where the sponsor seeks a listing based on a medicine's use in Aboriginal and Torres Strait Islander health settings;
   - the provision of medicines to treat conditions particular to Indigenous health;
   - the ramifications of the potential withdrawal from the market of medicines relevant to Aboriginal and Torres Strait Islander health needs, and provide advice to DoHA on mechanisms to address these potential gaps in therapy; and
   - the utilisation of future listings included in the Schedule of Pharmaceutical Benefits

[7] Report available at http://www.health.gov.au/internet/main/publishing.nsf/Content/79D490F2B41B2C50CA256F880005CE6C/$File/report.pdf

to treat conditions particular to Aboriginal and Torres Strait Islander health needs, in consultation with the Drug Utilisation Sub Committee of the PBAC, and the improvement of health outcomes.

Membership of the EAP includes a representative from NACCHO and from the Australian Indigenous Doctors' Association. The EAP membership is at Attachment B.

Since the inception of the EAP, a number of medications have been specifically listed on the PBS for use by Aboriginal and Torres Strait Islander persons, including:

- Mupirocin (for treatment of nasal colonisation with Staphylococcus aureus);
- Ketoconazole (for treatment of a fungal or a yeast infection);
- Miconazole nitrate (for treatment of a fungal or a yeast infection);
- Albendazole (for treatment of whipworm infestation; strongyloidiasis; and hookworm infestation); and
- Ciprofloxacin (for treatment of chronic suppurative otitis media).

The full list of medications specifically listed on the PBS for use by Aboriginal and Torres Strait Islander persons is at Attachment C.

2 The Australian Government increased the handling fee paid to approved pharmacies for each PBS item supplied to AHSs under this arrangement to address increases in costs for participating pharmacies. The handling fee is now indexed annually on 1 July (WCI9).

3 A three-fold increase in funding of the S100 Support Allowance Program. This increase was agreed to improve accountability and transparency, which would in turn provide adequate verification that pharmacy support services were being provided [details of the S100 Support Allowance Program at Term of Reference (c)]. As noted, funding has been extended under the 5CPA.

4 The establishment by the NPS of the Good Medicines Better Health Program that aims to develop, deliver and evaluate a QUM train-the trainer course. Further information on this Program is at Term of Reference (f).

5 The establishment by the NPS of the OPRAH Program. This program provides pharmacists with the training, support and resources to promote the safe and wise use of medicines in AHSs, and through them, the broader community. Further information on this Program is at Term of Reference (f).

6 Implementing Closing the Gap – PBS Co-payment Measure from 1 July 2010, to reduce the cost of PBS medicines for eligible Aboriginal and Torres Strait Islander people living with, or at risk of, chronic disease. Similar to the RAAHS Program, the PBS Co-payment Measure addresses financial barriers by subsiding the PBS co-payment so eligible patients may access more affordable PBS medicines. Eligible general patients pay $5.60 for their PBS medicines while concession card holders may access PBS medicines for free. While the RAAHS Program provides copayment relief in remote areas, the PBS Co-payment Measure provides co-payment relief in non-remote areas.

Review of the Existing Supply and Remuneration Arrangements for Drugs Listed Under Section 100 of the National Health Act 1953 (2010)[8]

This review by Australian Healthcare Associates was funded by the Australian Government to assess how supply and remuneration under all S100 arrangements impact on community pharmacies. The review was conducted in 2008-09, with the final report released in January 2010.

Recommendations about the RAAHS Program include increasing the RAAHS Program handling fee.

When the review was conducted in 2008-09, the handling fee was $1.14. The Australian Government has since increased the handling fee. The handling fee from 1 July 2011 is $2.79 for each PBS item supplied to an approved AHS, and is indexed annually to reflect increases in costs for participating pharmacies.

Fourth Community Pharmacy Agreement – Evaluation of Indigenous Pharmacy Programs (2010)[9]

As part of a wider evaluation of the Indigenous Pharmacy Programs under the 4CPA, the Section 100 Support Allowance Program was reviewed. The evaluation was undertaken by NOVA Public Policy Pty Ltd and finalised on 30 June 2010. A number of recommendations were made, including:

- establishing a quality standard for the provision of pharmacy support to AHSs;
- engaging pharmacists in primary care tasks resulting in improved quality and best practices in pharmacy support;
- sponsoring an annual conference for participating pharmacists and a representative group of AHSs;
- further improving accountability of participating pharmacists by a refinement in Program reporting; and
- further articulating responsibilities of key stakeholders with respect to the administration and governance of the Program.

The evaluation outcomes and recommendations were referred by DoHA to the Agreement Consultative Committee (ACC), which oversees the 5CPA, and its Programs Reference Group. Through this process, the outcomes and recommendations have been considered and a strategy developed to implement relevant recommendations.

To improve the S100 Support Allowance Program under the 5CPA, a S100 Support Allowance Program workshop, in conjunction with a forum held annually for the Quality Use of Medicines maximised for Aboriginal and Torres Strait Islander Peoples (QUMAX) Program is planned for late 2011. Sharing of information and best practice from this complementary program, which deals with QUM issues in regional and urban setting, will identify opportunities to enhance the Support Program for remote AHSs.

[8] Report available at http://www.health.gov.au/internet/main/publishing.nsf/content/3AFDB28CDC5C43A5CA25751400032D03/$File/S100%20Final%20Report.pdf

[9] Report available at www.health.gov.au/internet/main/publishing.nsf/Content/fourth-community-pharmacy-agreement-evaluation-reports

(h) Access to PBS generally in remote communities

PBS per person expenditure is often used as a proxy to measure and compare access to the PBS. Australian Institute of Health and Welfare (AIHW) health and geographical expenditure analysis found that across the Australian population, per person PBS expenditure decreased with remoteness as shown in Table 6 (AIHW 2011).

Table 6: Pharmaceutical expenditure by remoteness, 2006–07 ($)

	Major cities	Inner regional	Outer regional	Remote/ very remote	Australia
Expenditure per person	312.33	346.41	317.89	243.17	318.17
Expenditure per person (age standardised)	320.67	316.75	305.58	301.88	318.17

Source: AIHW 2011

In contrast to the general population, AIHW analysis found that per person PBS Aboriginal and Torres Strait Islander expenditure increases with remoteness, with per person PBS Aboriginal and Torres Strait Islander expenditure greatest for those living in remote and very remote areas (Table 7). The RAAHS Program was the major driver of PBS expenditure in remote and very remote areas, accountable for more than 80 per cent of the per person total expenditure (AIHW, 2010).

Table 7*: PBS expenditure per person, Indigenous and non-Indigenous Australians, by remoteness areas of patient's residence, 2006–07 ($)

	Major cities	Inner regional	Outer regional	Remote/ very remote	All regions
Indigenous	158.6	141.8	178.3	43.6	
Indigenous RAAHS	0.0	0.0	0.0	179.6	
Indigenous total	**158.6**	**141.8**	**178.3**	**223.2**	**175.2**
Non- Indigenous total	**285.1**	**319.3**	**284.2**	**200.1**	**290.2**
Ratio	0.56	0.44	0.63	1.12	0.60

Source: AIHW 2010

*Tables 6 and 7 are not directly comparable due to different methodologies

Closing Comments

The RAAHS Program has grown over the last 13 years. It now provides access to around 1.4 million PBS items per year at no cost to patients, reaching many isolated communities where Aboriginal and Torres Strait Islander peoples would otherwise experience difficulty in accessing medicines.

In recent years, the number of PBS items supplied to participating AHSs has been relatively steady, at around 1.3 million items annually. The RAAHS Program is meeting a need for essential medicines in remote Aboriginal and Torres Strait Islander communities.

Improvements have been made in many areas, as outlined in this submission. These improvements ensure that the RAAHS Program continues to meet the need for affordable access to the PBS for Aboriginal and Torres Strait Islander peoples living in remote communities.

Key indicators for the RAAHS Program and reviews have shown that the Program is making a positive contribution to meeting the need for essential medicines in remote Aboriginal and Torres Strait Islander communities.

"The implementation of [the RAAHS Program] to date has been highly successful. All indications are that the scheme is meeting its prime objective of improving Aboriginal access to PBS medicines, and NACCHO member services in remote areas have hailed the scheme. For these services, [the RAAHS Program] represents a breakthrough, by enabling them to provide their patients with medicines and advice about medicines as part of holistic primary health care."
(National Aboriginal Community Controlled Health Organisation (NACCHO) - as quoted in Kelaher et al 2004 p100)

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2. Australian Healthcare Associates. 2010. *Review of the Existing Supply and Remuneration Arrangements for Drugs Listed Under Section 100 of the National Health Act 1953.*
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5. Kelaher M, Taylor-Thomson D, Harrison N, O'Donoghue L, Dunt D, Barnes T and Anderson I. 2004. *Evaluation of PBS Medicine Supply Arrangement for Remote Area Aboriginal Health Services under S100 of the National Health Act*. Co-operative Research Centre for Aboriginal Health and University of Melbourne.
6. Nova Public Policy. 2010. *Evaluation of Indigenous Pharmacy Programs - Final Report*. Canberra. Nova Public Policy Pty Ltd.

Attachments

Attachment A

PB 65 of 2010

National Health (Remote Aboriginal Health Services Program) Special Arrangements Instrument 2010

National Health Act 1953

I, Assistant Secretary, Access and Systems Branch, Department of Health and Ageing, delegate of the Minister for Health and Ageing:

a. make the special arrangements set out in this instrument under subsection 100(1) of the *National Health Act 1953*; and

b. revoke under subsection 100(2) of the *National Health Act 1953*, the special arrangements made under paragraph 100(1)(a) of the *National Health Act 1953* for patients of remote Aboriginal Health Services on 5 June 2009 (PB 57 of 2009).

Dated 9 June 2010

Assistant Secretary, Access and Systems Branch, Department of Health and Ageing

1. Name of Instrument

This Instrument is the *National Health (Remote Aboriginal Health Services Program) Special Arrangements Instrument 2010*.

This Instrument may also be cited as PB 65 of 2010.

2. Commencement

This instrument commences on 1 July 2010.

3. Definitions

In this Instrument:

- ***Act*** means the *National Health Act 1953*.
- ***AHS*** means Aboriginal Health Service.
- ***MA*** means Medicare Australia.

4. Eligibility

The eligibility criteria for the purposes of this arrangement are:

a) The Aboriginal Health Service (AHS) must have a primary function of meeting the health care needs of Aboriginal and Torres Strait Islander peoples.

b) The clinic or other health care facility operated by the AHS from which pharmaceutical benefits are supplied to patients must be in a remote zone as defined in the Rural, Remote and Metropolitan Areas Classification, 1991 Census Edition.

c) The AHS must not be a party to an arrangement, such as a coordinated care trial, for which funds from the Pharmaceutical Benefits Scheme (PBS) have already been provided.

d) The AHS must employ, or be in a contractual relationship with, health professionals who are suitably qualified under the legislation of the relevant State or Territory to supply all pharmaceutical benefits covered by these arrangements, and must undertake that all supply of pharmaceutical benefits will be made under the direction of such qualified persons.

e) The clinic or other health care facility operated by the AHS from which pharmaceutical benefits are supplied must have storage facilities that will:

   (i) prevent access by unauthorised persons;

   (ii) maintain the quality (eg chemical and biological stability and sterility) of the pharmaceutical benefit; and

   (iii) comply with any special conditions specified by the manufacturer of the pharmaceutical benefit.

5. Scope

PBS medicines available through this arrangement include items contained in Section 2 of the *Schedule of Pharmaceutical Benefits,* in force at the time of supply, excluding:

a) pharmaceutical benefit items supplied to medical practitioners as emergency drug (Doctor's Bag) supplies, pursuant to section 93 of the Act; and
b) pharmaceutical benefit items in respect of which special arrangements are in force under paragraph 100(1)(b) of the Act; and
c) pharmaceutical benefit items that are Schedule 8 drugs, as defined by the relevant State or Territory drugs and poisons legislation.

6. Obtaining pharmaceutical benefit items

Each participating remote area AHS will maintain a stock of pharmaceutical benefit items, ordered using an approval form on a bulk supply basis from an approved pharmacist or an approved hospital authority, and dispensed through the AHS as appropriate. Pharmaceutical benefit items must be supplied directly by the approved pharmacist or the approved hospital authority to the participating AHS. Approved pharmacists and approved hospital authorities will be reimbursed directly by Medicare Australia (MA).

7. Dispensing

Pharmaceutical benefit items will be dispensed to patients by an appropriate health professional (either a medical practitioner, or an Aboriginal Health Worker or nurse working under the supervision of a medical practitioner, where consistent with the law of the relevant State or Territory). A patient who is supplied with a pharmaceutical benefit under this arrangement is not to be charged a patient copayment.

8. Claims system

Each AHS will be registered with MA and, if there are several remote area clinics operating under the auspices of a large AHS or a State or Territory Government Agency, a unique approval number will be allocated to each clinic. The approved pharmacist or approved hospital authority will maintain a record of pharmaceutical benefit items supplied to each approved AHS, and will provide this information to MA as the basis for reimbursement.

9. Remuneration

Reimbursement by the Commonwealth of approved pharmacists and approved hospital authorities for each pharmaceutical benefit item supplied to an approved AHS under this arrangement will be the sum of the following:

f) the approved price to pharmacists within the meaning of subsection 98B(3) of the Act; and
g) a mark-up at the rate specified in the determination under paragraph 98B(1)(a) of the Act that is in force at the time of supply of the benefit; and
h) a handling fee of $2.79.

Costs of transportation and cold chain maintenance are included in the above reimbursement formula.

Attachment B

Membership of the Expert Advisory Panel on Aboriginal and Torres Strait Islander Medicines

April 2011:

Dr John Primrose [Chair]	Medical Adviser, Pharmaceutical Benefits Division, Department of Health and Ageing (DoHA)
Prof. Lloyd Sansom AO	Chair, Pharmaceutical Benefits Advisory Committee
TBC	Medical Adviser, Office for Aboriginal and Torres Strait Islander Health, DoHA
Dr Sophie Couzos	Public Health Officer, National Aboriginal Community Controlled Health Organisation
Dr Tammy Kimpton	Medical Officer, Drug and Alcohol Service, Wyong Hospital, NSW (Nominee of the Australian Indigenous Doctors' Association)
Dr Jo Wright	Principal District Medical Officer, NT Department of Health & Community Services
Dr Dominic Barnes	Vice President & General Manager, Shire Australia Pty Ltd, Medicines Australia
Dr Zaheer Anjum	Therapeutic Goods Administration
Mr Peter McManus	Secretariat, Pharmaceutical Benefits Advisory Committee, DoHA
Mr Chris Raymond	Secretariat, Drug Utilisation Sub-Committee, DoHA
Mr Paul Storey [Secretary]	Pharmaceutical Evaluation Branch, DoHA

Attachment C

Listings on the PBS for Aboriginal and Torres Strait Islander people 1 April 2011

Authority required (STREAMLINED) *3136 Nasal colonisation with Staphylococcus aureus in an Aboriginal or a Torres Strait Islander person.* ***Note:*** *No applications for increased maximum quantities and/or repeats will be authorised.* 9440W **Mupirocin**, Nasal ointment 20 mg (as calcium) per g (2%), 3 g *(Bactroban)*
Authority required *Nicotine dependence in an Aboriginal or a Torres Strait Islander person as the sole PBS-subsidised therapy.* ***Note:*** *Only 2 courses of PBS-subsidised nicotine replacement therapy will be authorised per year.* *No applications for increased maximum quantities and/or repeats will be authorised.* *Benefit is improved if used in conjunction with a comprehensive support and counselling program.* 9198D **Nicotine**, Transdermal patch releasing approximately 15 mg per 16 hours (*Nicorette Patch*)
Authority required *Treatment of a dermatophyte infection in an Aboriginal or a Torres Strait Islander person where topical treatment has failed;* 2285G **Terbinafine hydrochloride**, Tablet 250 mg (base) (*GenRx Terbinafine, Sebifin 250, Tamsil, Terbihexal, Terbinafine 250, Terbinafine-DP, Zabel, Lamisil*)
Authority required (STREAMLINED) *2354 Treatment of a fungal or a yeast infection in an Aboriginal or a Torres Strait Islander person.* 1017M **Clotrimazole**, Cream 10 mg per g (1%), 20 g *(Clonea)* 9024Y **Ketoconazole**, Cream 20 mg per g (2%), 30 g (*Nizoral 2% Cream*)

9025B **Ketoconazole**, Shampoo 10 mg per g (1%), 100 mL (*Nizoral 1%*)

1574W **Ketoconazole**, Shampoo 20 mg per g (2%), 60 mL (*Nizoral 2%*)

9026C **Miconazole nitrate,** Cream 20 mg per g (2%), 15 g (*Daktarin*)

9027D **Miconazole nitrate,** Cream 20 mg per g (2%), 30 g (*Daktarin*)

9028E **Miconazole nitrate,** Cream 20 mg per g (2%), 70 g (*Daktarin*)

9029F **Miconazole nitrate,** Powder 20 mg per g (2%), 30 g (*Daktarin*)

9030G **Miconazole nitrate,** Lotion 20 mg per mL (2%), 30 g (*Daktarin*)

9031H **Miconazole,** Tincture 20 mg per mL (2%), 30 mL (*Daktarin*)

1698J **Nystatin**, Cream 100,000 units per g, 15 g (*Mycostatin*)

9160D **Terbinafine hydrochloride,** Cream 10 mg per g (1%), 15 g (*Lamisil*)

Authority required (STREAMLINED)

2384 Prophylaxis of thiamine deficiency in an Aboriginal or a Torres Strait Islander person

1070H **Thiamine hydrochloride,** Tablet 100 mg (*Betamin*)

Authority required (STREAMLINED)

2446 Treatment of whipworm infestation in an Aboriginal or a Torres Strait Islander person;
1388 Strongyloidiasis;
3241 Treatment of hookworm infestation.

9047E **Albendazole**, Tablet 200 mg (*Zentel*)

Authority required

Treatment of chronic suppurative otitis media in an Aboriginal or a Torres Strait Islander person aged 1 month or older;

2480M **Ciprofloxacin**, Ear drops 3 mg per mL (0.3%), 5 mL (*Ciloxan*)