THE EFFECTIVENESS OF SPECIAL ARRANGEMENTS FOR THE SUPPLY OF PHARMACEUTICAL BENEFITS SCHEME (PBS) MEDICINES TO REMOTE AREA ABORIGINAL HEALTH SERVICES

Submission by the Royal Flying Doctor Service (RFDS)

Comments addressed to the following Senate Inquiry terms of reference:

(a) Barriers experienced by Aboriginal and Torres Strait Islander people in accessing essential medicines through the PBS
(h) Access to PBS generally in remote communities
(i) Other related matters

1.0 BACKGROUND

The Australian Government has recognised the exceptional care needs of Aboriginal and Torres Strait Islander (A&TSI) Australians by introducing special measures under the S100 Pharmaceutical Benefits arrangements and the Closing the Gap (CTG) initiatives.

The RFDS applauds these initiatives because the health status of the remote communities which we serve is significantly worse than that of urban communities.

The Australian Government has improved access to care for A&TSI Australians by allowing Aboriginal Health Services, whilst employing staff under government grants, to also bill Medicare under the Section 19.2 Exemption. This has meant that AHSs can bill the Enhanced Patient Care Items for health care assessments, plans and chronic disease cycles of care.

This has been coupled with the Section 100 PBS Scheme and the CTG Pharmaceutical Benefits arrangements to provide pharmaceuticals to Aboriginal people

Whilst this has provided valuable and much needed services and benefits to Aboriginal people, many of these people live in towns where the RFDS provides the bulk of general practice primary health care services and all of the acute and aero-medical services.

Due to the way in which both the S100 and CTG initiatives have been set up, the RFDS is not able to independently access either scheme. In the case of the CTG program, the RFDS is excluded because it is not an eligible organisation under the legislation. This is because the RFDS is not funded under Medicare and is not eligible for PIP incentives. This has produced the anomalous situation where a private general practice providing services to Aboriginal people in an urban community could apply for the CTG initiatives for its patients whereas the RFDS, operating in difficult to service remote communities cannot. A similar situation prevails for the S100 initiative where applications are restricted to either Aboriginal Health Services or to state departments of health.

This means that RFDS medical officers are unable to independently prescribe subsidised prescriptions to Aboriginal patients under either the S100 provisions or the CTG Pharmaceutical Benefits measure in many of the communities for which it provides services. In locations where the RFDS does provide CTG or Section 100 prescriptions, this can only occur through the service becoming an agent of either an Aboriginal Health Service or of the state health department.

RFDS, for the most part therefore, is unable to provide CTG scripts because we are not eligible for PIP payments which are dependent on Medicare eligibility. RFDS is unable to provide scripts under the S100 provision again due to us not being an eligible provider under Medicare.

Recommended changes to RFDS's funding arrangements, as identified in this paper, will remedy the problems that currently exist. The RFDS seeks the following changes:

- A national Section 100 arrangement to cover RFDS A&TSI patients enabling them to have their prescription costs fully funded through PBS
- Inclusion as an eligible service provider for the CTG initiative to allow RFDS medical officers to issue Closing the Gap prescriptions.

2.0 CURRENT POSITION – ABORIGINAL HEALTH REFORMS

The Government has recognised the exceptional care needs of Aboriginal Australians by introducing special measures under the Section 100 (of the *National Health Act 1953*) Pharmaceutical Benefits arrangements and the Closing the Gap (CTG) initiative, to provide pharmaceuticals to A&TSI people at no or reduced charge. (Note that Section 100 refers to all people in remote areas, not only A&TSI people.)

The Section 100 arrangement refers to the special supply and remuneration arrangements of PBS medicines for clients in remote areas and those of approved Aboriginal Health Services.

The CTG program allows patients to forego PBS co-payments. Eligibility for the CTG measure is for:

- general practices participating in the Indigenous Health Incentive under the Practice Incentives Program (PIP) or
- Indigenous Health Services (IHS) in urban and rural settings.

3.0 CURRENT POSITION - RFDS

Because of its niche position in the Australian health care system, the RFDS can sometimes be overlooked when health care reform initiatives are put in place for the wider primary health care community. As a nationwide provider of primary health care to Indigenous and other rural and remote communities, it is essential that the RFDS is included in such initiatives along with other organisations such as Divisions of General Practice and Aboriginal Community Controlled Health Organisations.

The RFDS is not currently able to participate independently in Section 100 arrangements or the Closing the Gap initiative.

In the Mt Isa and Cape York remote areas for example pharmaceuticals are provided by Queensland Health (from central pharmacy) or in an arrangement with a private pharmacy (Weipa does the Webster packs).

Even this arrangement does however have limitations. Queensland Health only stocks medications that are listed on the LAM (List of approved medications) - so occasionally there can be problems accessing PBS listed medications from Queensland Health. The most controversial of these is Spiriva which is not available on the LAM and which is an important medication in controlling chronic lung disease which is a common and debilitating illness in A&TSI communities.

In these schemes the central pharmacy claims a reimbursement under Section 100 from the Commonwealth for the PBS listed medications supplied to rural and remote communities.

With regard to access to the CTG scheme in Queensland the majority of remote Indigenous communities are not charged a co-payment so the lack of access to the scheme in this state is not particularly onerous.

The above doesn't apply to all Queensland regions but is applicable to most of our Indigenous communities.

There are however a number of other pharmacy related issues experienced even in these regions.

- Due to the RFDS lack of access to Medicare EPC items pharmacy reviews under the Home Medicines Review items are not available to patients.
- There is very poor or no access to the other services usually supplied by pharmacists. – For example in Cairns and the Hinterland one outreach pharmacist is available for the whole region including the Cape. Most of the AMS's have set up close relationships with pharmacies such that some AMS's are actually co-located with pharmacy services - e.g. TAIHS, and this allows them access to all the benefits of a pharmacy on site in addition to the prescription drugs supplied.
- On occasions, even if drugs are listed on the LAM the state health department may not have the medications. This results in an access block that is driven by internal state health issues and not by access to Section 100 money.

In rare instances, for example in Meekatharra, Western Australia, RFDS has a 19(2) exemption and this has allowed access to the S100 arrangements.

4.0 ISSUES WITH CURRENT SITUATION

4.1 Patients missing out on funded prescriptions.

Because RFDS has not been eligible for a S100 arrangement in some locations, patients must pay a contribution (according to normal PBS arrangements) for any prescription medications prescribed by RFDS doctors. This is despite patients of other medical services (sometimes in the same geographic area) having their prescriptions fully funded under S100. This puts RFDS GP patients at a disadvantage compared to others and clearly goes against the Commonwealth objective of improving health in remote areas.

Problems from RFDS doctors not meeting the eligibility requirements to issue CTG scripts are described below. A large proportion (estimated at approximately 40%) of RFDS patients is from an Aboriginal or Torres Strait Islander background.

4.2 Patients missing out on funded prescriptions.

The CTG eligibility criteria are currently for Aboriginal Medical Services and CTG-accredited general practices. RFDS does not fall into either of these categories and this means that Aboriginal people treated by RFDS doctors cannot receive subsidised prescriptions.

5.0 RECOMMENDATIONS

5.1 Section 100 Special Arrangement

The easiest manner in which to address the Section 100 anomaly would be for each of the RFDS's four operational sections to be granted an S100 arrangement for the communities it services. The essence of the RFDS charter is to provide medical services in communities beyond the reach of the normal health services infrastructure. Since this footprint is contiguous with that of the lack of pharmacy infrastructure this would seem to be a logical arrangement. This would mean that all eligible patients would be able to have their full prescription costs met through the PBS special arrangements under Section 100.

A second alternative would allow for joint submissions to be made between Aboriginal Health Services, state health departments, and the RFDS for supply of prescription medications in remote communities. This arrangement could enhance a collaborative approach for service provision.

Either arrangement would allow:

- RFDS patients to have the cost of their prescription drugs fully met under the PBS, increasing the probability of compliance with treatment and a consequent improvement of the health status of people living in remote communities.
- Aboriginal communities serviced both by the RFDS and an Aboriginal Health Service, to receive equivalent services at times when an RFDS doctor, rather than an AHS doctor, is attending the clinic.

5.2 Closing the Gap Prescriptions

Similar arrangements as proposed above for Section 100 prescriptions would remedy the current anomalies under the CTG scheme.

Other Issues of Access to Pharmaceutical Services

As a matter of equity the Commonwealth should make provision for a mechanism to allow RFDS patients both A&TSI and non A&TSI to have access to the Home Medicines Review items in the Medicare Schedule