

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 17 & 19 October 2012

Question: E12-203

OUTCOME 2: Access to Pharmaceutical Services

Topic: COMMUNITY PHARMACY

Type of Question: Written Question on Notice

Number of pages: 2

Senator: Senator Di Natale

Question:

- a) Can you put a dollar figure on how much taxpayer money is going directly to pharmacy owners per annum?
- b) What quantitative and qualitative assessment frameworks are in place to ensure the Government is getting value for money and value for service?

Answer:

- a) Over the life of the Fifth Community Pharmacy Agreement (Fifth Agreement), \$13,997.80 million is provided for Pharmacy remuneration. In addition pharmacy owners and individual pharmacists can access up to \$663.4 million in payments for providing Fifth Agreement programs and services (e.g. the Pharmacy Practice Incentives Program).

In 2010-11 pharmacy owners received approximately \$79.164 million of the total Fifth Agreement programs and services budget of \$101.379 million. In 2011-12 pharmacy owners received approximately \$117.457 million of the Fifth Agreement programs and services budget of \$148.352 million.

- b) With the exception of the Rural Pharmacy and Aboriginal and Torres Strait Islander workforce programs, payments for Fifth Agreement programs are administered by the Department of Human Services (DHS). DHS has compliance frameworks in place to review and undertake audits to ensure services are delivered in accordance with approved program rules and guidelines. The workforce programs are funded through funding agreements and contracts between the Department of Health and Ageing and third parties. Therefore audit mechanisms include contractual obligations and deliverables being monitored by the Department and where necessary cost recovery being undertaken.

In addition, the Fifth Agreement includes the requirement for the Commonwealth and Pharmacy Guild of Australia (the Guild) to participate in a review of the Agreement prior to its expiry, with preliminary findings outcomes reported by July 2014.

The Programs Reference Group (PRG) provides advice to the Minister and the

Agreement Consultative Committee (ACC) on the policy dimensions of new and continuing programs, including evaluation requirements.

The Department with assistance and advice from the Guild, the ACC, and the PRG developed an Evaluation Framework for the Fifth Agreement. A copy of the Evaluation Framework is available at <http://www.health.gov.au/internet/main/publishing.nsf/Content/fifth-community-pharmacy-agreement-evaluation-framework>

All Fifth Agreement evaluations will be undertaken in accordance with this Fifth Agreement Evaluation Framework.

Some reviews including the Combined Medication Management Review and the thematic reviews for 'Access' and 'Quality Use of Medicines' are not due to conclude until the end of the Fifth Agreement in 2015, and it is not expected their final reports will be released publicly prior to this time. However, consideration will be given during the review period to the preparation and the release of interim reports where feasible.

The first round of tenders for the Combined Review of Fifth Agreement Medication Management Programs closed on 14 December 2012. The tender responses are being assessed in accordance with the Commonwealth Procurement Rules (CPRs) and as per CPR 7.16 the successful tenderer will be made publicly available on the AusTender website within 42 days of the contract being executed.