



## *Internal Memorandum*

---

**TO: Aram Hosie  
PRINCIPAL POLICY OFFICER**

**SUBJECT: Supply of Medicines in Halls Creek and Fitzroy Crossing**

---

### **Summary of Current Arrangements**

The State government provides all medicines in Halls Creek and Fitzroy Crossing Hospitals which are used for acute care services including emergency and in-patient care. Co-located on the hospital site is the State run Community Health Services which provide Commonwealth funded vaccinations and other preventative health services to town residents and to remote communities such as Noonkanbah, Bayulu and Wangkatjunka in the Fitzroy Valley and Yiyili in Halls Creek, via outreach services.

Regular clinics are conducted at the communities by both the state funded community health staff and the state hospital based District Medical Officers (DMOs). Most of the medicines provided to patients at these clinics have been funded through Section 100 since 2005. DMOs at both sites provide GP-type consultations through outpatient appointments at the hospitals. Most of the medicines provided at these consultations have been funded through Section 100 since 2005.

The Commonwealth government provides funding and PBS medicines through Section 100 to the Aboriginal Medical Services in both towns; Yura Yungi in Halls Creek and Nindilingarri in Fitzroy Crossing. However Nindilingarri does not utilise their Section 100 approval number. There is no private General Practice in either town.

### **Access to Private Pharmacy Services**

Halls Creek and Fitzroy Crossing do not have a private community pharmacy, presumably because it is not economically viable for the private sector in these locations. The nearest private pharmacy to Halls Creek is in Kununurra, which is an 8 hour return trip by road. The nearest private pharmacy to Fitzroy Crossing is in Derby, a 4 hour return road trip.

Prior to 2005, patients attending Halls Creek hospital as outpatients were given a PBS prescription to be dispensed in Kununurra *or* they were dispensed medications from the State hospital pharmacy *or* sent to Yura Yungi Aboriginal Medical Service (YY) for the medications. If they went to YY, they would be seen again by a YY doctor prior to getting any medicines. Although YY has a Section 100 (S100) approval number, this does not permit them to function as a dispensing pharmacy and thus able to dispense prescriptions written by a hospital doctor. The situation was similar at Fitzroy Crossing although some patients would send their prescriptions to the Boab Pharmacy in Derby to be dispensed.

## Section 100

In December 2004 both Fitzroy Crossing and Halls Creek hospitals received S100 approval numbers from the HIC and introduced S100 in early 2005.

Section 100 is a mechanism by which the Federal Minister for Health can make alternative arrangements for the supply of Pharmaceutical Benefit Scheme (PBS) Commonwealth funded medicines. The granting of S100 removes the financial and geographical barriers that exist for Aboriginal people living in remote settings as it avoids the PBS patient co-payment and medicines can be provided at time and place of the consultation with the Doctor. Generally, supply to the hospitals is bulk supply via a private pharmacy which claims the cost of the medicines from the Health Insurance Commission.

The private pharmacy in Derby supplies Fitzroy Hospital with both dispensed dose administration aids (medi-sachets) and individualised dispensing for ongoing prescriptions. It should be noted that S100 supply was designed to be bulk supply only and is currently paid for as such. Initial and one off supplies of medicines are dispensed direct from the S100 pharmacy within the hospital.

Fitzroy Crossing hospital provides a much greater quantity of outpatient medicines than Halls Creek hospital as Nindilingarri Cultural Health (the Aboriginal Medical Service) in Fitzroy Crossing did not wish to be involved in providing S100 medicines and so the hospital is the only provider of S100 medicines for the entire Fitzroy Valley.

Halls Creek Hospital dispenses much smaller quantities of 100 medications than Fitzroy Crossing, as YY is rightly the main provider of long term medications for the community. The private pharmacy in Kununurra supplies dispensed Webster packs, but not an individualised dispensing service to Halls Creek Hospital.

Neither hospital received any additional funding to provide the necessary IT systems to manage dispensing nor the additional staffing necessary to take on the dispensing and stock control roles that would normally be found in a private pharmacy.

Both hospitals run two separate pharmacy rooms. One is dedicated to public inpatient supply and the drugs are funded via the State Government. The other is the S100 room which is used for the outpatient supply and non-admitted ED patients. This situation has arisen for two reasons:

1. S100 provides only PBS listed medications. Many drugs used in the acute setting in hospitals are not available through the PBS
2. Commonwealth representatives were concerned that the hospitals, if given PBS approval numbers, would cost shift by using S100 drugs for inpatients. This action would be in breach of the Australian Health Care Agreement. To ensure that the separation is transparently obvious, two separate pharmacy stores are needed.

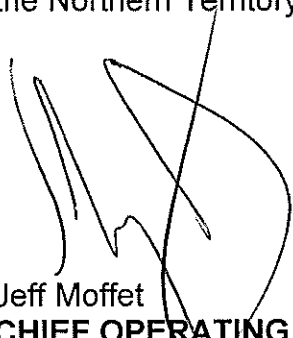
Running two separate pharmacy store rooms with two supply chains and two ordering systems imposes an additional burden on staff working at these locations including:

- the additional time spent in managing two separate rooms – ordering and stocking;
- confusion for staff in a setting with high staff turnover, as few have any exposure to a similar system elsewhere. Staff struggle to grasp why the stock lines are different and the rationale behind the two similar arrangements.
- the need for additional space with a lot of duplication of stock lines.

### **Recommendation**

That the current regulations and funding arrangements for pharmaceutical services/suppliers be simplified to improve effectiveness for remote towns and communities.

One option would be a capitated cashed out arrangement, similar to that in place in the Northern Territory, to allow the state to provide full services to the community.



Jeff Moffet  
**CHIEF OPERATING OFFICER  
WA COUNTRY HEALTH SERVICE**

30/9/08.