

Mater Hospital Pharmacy

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29th July 2013

Department of Health and Ageing
Chemotherapy Review
MDP 901
GPO Box 9848
Canberra ACT 2601

By email: chemoreview@health.gov.au

RE: Review of Funding Arrangements for Chemotherapy Services

Dear Chemotherapy Review Team Members,

We, the undersigned are pharmacists and co-proprietors of The Mater Hospital Pharmacy, a Section 90 pharmacy that provides a comprehensive, contract pharmacy service to the Mater Hospital Sydney under a long term commercial leasehold.

The Mater is a leading private hospital renowned for its quality care and compassion. The hospital specialises in the treatment and care of cancer patients and is co-located with the Melanoma Institute of Australia.

As requested, we have completed the 'Pharmacy and Hospital Costs for Chemotherapy' spreadsheet. We are hoping through our transparency and that of others that this review will provide a long term sustainable funding model.

External (Third Party) Compounder:

Due to the complexity of preparing chemotherapy, adhering to guidelines and achieving best practice, all cytotoxic drugs and monoclonal antibodies supplied to patients at The Mater are compounded by an external compounder.

Our external compounder charges us as follows:

- A set compounding fee dependant on the complexity of preparing the infusion.
- Plus, a separate fee for the cost of the drug (priced either per mg or per vial). It is our understanding that the cost of the drug includes a percentage mark up.
- Plus, various container fees

The Efficient Funding of Chemotherapy Drugs:

Until the 1st of December 2012 the viability of our oncology pharmacy service relied on the trading terms of medicines such as docetaxel. We are not confident that the current funding model for the provision of oncology drugs will be sustainable in the future for our business.

Listed below are the limitations that we see with the current funding model:

1. The price of the medicine charged by our external compounder at times is significantly higher than the PBS listed cost price. In some instances the price of the medicine charged by our external compounder is even higher than the PBS reimbursed price. The cost discrepancy is more of a problem with patented medicines which comprise a large part of our business. The cost of these new patented medicines seem to be increasing exponentially, for example - Ipilimumab (Yervoy®).
2. Set reimbursement fees do not take into account the cost of obtaining and supplying expensive medicine, even with the extra \$60 interim reimbursement.
3. The extra fees charged for containers and devices required for the safe delivery of chemotherapy are not currently reimbursed.
4. The current dispensing fee does not reflect the time spent ensuring the safe dispensing of chemotherapy.
5. Due to the increasing costs of these medicines, associated costs, such as our insurance has increased.

Clinical Pharmacy Service:

Our oncology pharmacy service is required to meet national accreditation standards (ACHS) and has contractual obligations with The Mater Hospital to ensure best practice.

Currently, our oncology clinical pharmacy service is funded through the PBS reimbursement of oncology medicines. We support a clinical services based funding model. We are advocates of the SHPA model which recommends funding provided via a Chemo Medscheck or through the creation of a pharmacy oncology Medicare Benefits Schedule.

Our oncology pharmacist and oncology technician are both integral members of the multidisciplinary cancer care team at The Mater Hospital.

Their roles include:

1. Collation of daily orders for patients
2. Checking that doses and protocols are suitable for each infusion according to each patient's clinical parameters.
3. Ensuring patients receive appropriate supportive drug therapy
4. An efficient system for the ordering of each infusion i.e. the correct drug, diluent, bag and route
5. Managing expiry dates
6. Management of high cost drug applications
7. Management of cost share programs and arrangements
8. Management of clinical trials
9. Pharmacist attendance at weekly multi-disciplinary meetings
10. Providing medicines information and counselling patients on the use of their medicines

Clinical Trials:

Currently, our pharmacy supplies medication for 20 oncology clinical trials. These trials are for both patients of the Melanoma Institute of Australia and The Mater Hospital. Participation in these clinical trials requires the presence of our experienced pharmacy staff on site.

Administrative Tasks:

We would welcome any improvements in the administrative tasks associated with supplying chemotherapy through the PBS. We support the increased use of streamline authorities as well as paperless claiming.

We look forward to achieving a commercially sustainable long term solution which ensures the continuation of a safe chemotherapy service to patients in the private hospital sector.

Regards,

Amanda Fairjones
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Mary Smoker
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