

Submission to The Pharmacy Review Tribunal

Dear Panel Members,

I wish to make this submission to the Pharmacy Review Tribunal to give them some insight into how my pharmacy operates on a day to day basis and how many incidences of Above and Beyond service that we provide.

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The buy back plan of the eighties:

During this time there were many small pharmacies sited next door to another and the government of the day decided (and rightly so) that many were not viable and the infrastructure needed to maintain services and monitor the legal framework to such a diverse network of pharmacies was expensive and cumbersome. There were no location rules and this meant pharmacies were concentrated in the major centres. In ... alone there were 6 pharmacies within 200m of each other and not one outside of the CBD. So it was decided that a **“buy back plan”** should be on the table for any pharmacies which considered themselves not to be viable.

There were a number of reasons given as to why this was a good thing for pharmacy. The main reason, which became the underpinning of the move towards providing more in-pharmacy professional services was that with fewer pharmacies more pharmacists could be employed by the ones remaining so that with more than one pharmacist on the floor, there was more opportunity for professional interaction by the pharmacist with customers thereby leading to better health outcomes and fewer hospital admissions. The pharmacy was destined to become a triaging centre where the pharmacist could be the gatekeeper helping to keep many people from going to their GP or hospital ED and there would be rewards for the pharmacy and the government resulting from this relationship.

Fast Forward 30years

It has been a struggle to successfully achieve this model of pharmacy however we feel that we are providing our customers with a much better health service now than in the good ole days. But we could do much more if we had the resources and adequate remuneration.

We currently have 3 fulltime pharmacists working in this business and we could do with a fourth. We have 3 consulting rooms, service 2 Aged Care facilities, provide weekly Webster packs for over 100 community dwelling patients, provide CPOP services to a number of motivated ex-addicts. We provide a full service sleep apnoea clinic, including overnight testing, fitting and setup of sleep apnoea masks and equipment. This is a highly labour intensive service as hire equipment requires constant maintenance and patients need a great deal of support in maintaining their compliance. The cost of holding equipment and spare parts is huge and ties up cash. The assistants who help us with this service need ongoing training and are of a high standard. They will not work for the usual dismal pay rates we give our regular pharmacy assistants. The end result for the patient and the government is that we are able to provide a professional service equal to that experienced in the major city without the patient having to leave town. They don't need to call on the PATS scheme for reimbursement of travel and they don't require overnight accommodation. They no longer need to

use the public hospital system to have an overnight test freeing up valuable staff and beds. We however can only hope that the patient purchases their equipment from us and doesn't then go "online" for a better deal. There is a great deal of uncertainty and risk in providing this essential service.

Two of the pharmacists are trained to do HMRs and RMMRs. Two of us are also trained to provide flu immunisations.

We provide:

- FREE** blood pressure checks (often ordered by the local doctors)
- FREE** delivery to at least a dozen of our Webster pack clients who are too debilitated to come to the pharmacy and have little family support
- FREE** pick up from the surgery of Webster patient scripts and other scripts faxed to us by the GPs.
- FREE** replacement Webster packs when changes are required
- FREE** staged supply.
- FREE** rides home to any customer who looks so unwell that they need assistance
- FREE** phone call to taxis
- FREE** support appointments to our Sleep Apnoea patients. This can be weekly in the first months.

In our contracts with the nursing homes we are required to provide:

- FREE** after hours callouts over 24hrs.
 - FREE** Daily deliveries (and most days this is twice daily).
 - FREE** chart auditing service 4 times a year
 - FREE** pickups by the pharmacist of Schedule 8 drugs no longer required within 24 hrs (this can be sometimes multiple times a week)
 - FREE** management of prescription ordering from the GPs
 - FREE** pickup of scripts from the surgeries when done
 - FREE** repacking of webster packs on hospital discharge or GP changes to medication
 - FREE** Signing sheets
 - FREE** DD Books
 - FREE** Medication Trolleys as needed (\$2000)
- Computer software carries a monthly maintenance charge.

The nursing home wanted us to provide the packs for no charge at all however I refused and they now begrudgingly pay me \$2.50 per resident per week regardless of how many packs they need. We get \$5.00 per pack from our community patients and the final cost of these with labour and materials is closer to \$8-10. Why do we do it? Until recently I have justified this loss/subsidising because it is a community service but this is unsustainable and a complete review of pharmacists remuneration by Aged Care Facilities need to be done.

Our staff are required to maintain a level of knowledge which is consistent with the needs of our customers. They do not wish to and cannot be expected to do this in their own time so we allow them to use their time in the pharmacy to complete educational modules online.

The cost to myself and my business to achieve a pharmacy that can provide all of the facilities and infrastructure needed has meant an investment of over \$800K in shopfitting, signage, airconditioning only 6 years ago. We are still paying this off. Repayments to this loan appear as income on our tax returns when in fact none of it is accessible to us and is not tangible.

Everything we have invested and achieved is only possible due to the security provided by continued restrictions on pharmacy locations.

The current PBS remuneration package is inadequate to sustain the level of service expected from a professional service pharmacy.

Pharmacists wages are too low for people with the level of expertise we require and as a result universities are lowering their entrance requirements due to lack of enrollees. This produces a glut of inadequately prepared and underperforming pharmacists. The wages are too low to attract good pharmacists to regional centres and to increase wages we need to increase our prices which then plays into the hands of the deep discounter. The deep discounters do not offer a high level of service and as a result the community suffers by either paying higher prices or accepting a reduced level of service.

In our pharmacy we have dispensed 200 prescriptions more in August 16 compared with August 15 and yet our remuneration for the month is \$9000 less than last year. How is this sustainable? This has nothing to do with our management in fact we are assisting more and more people every day for less remuneration. And so the cycle continues.

Pharmacy is an industry of professionals whose remuneration is unfortunately tied intimately to the budgetary constraints of successive governments. It is understandable that a government wants to drive prices of medicines and services down when this represents such a large proportion of the health budget. Of course consumers want the financial benefits on offer at the discounters. However there are some pharmacists who are willing to forgo professional responsibility by providing a less than professional service in exchange for high turnover with low margins (the discounters). This does not provide a sustainable network of professional service pharmacies. As the discount pharmacies swallow up the professional service pharmacies, the distances patients will need to travel to a professional service based pharmacy will increase. The discounters will outcompete any service based pharmacy on price. Where does that leave the patient?

If they have to travel longer distances to reach a pharmacy that is willing to provide them with blood pressure testing and monitoring, or perhaps provide professional standard advice then they may as well visit the GP or the hospital (and access Medicare). Will the discount pharmacies provide Aged Care services? Not likely due to the high level of service required.

A point was made that the **Pharmacy Review Panel** is not interested in "propping up" the profits of community pharmacy. However, while pharmacists are expected to maintain all of the professional services including dispensing of medications, supplies to Aged Care facilities, free services to the public, triaging, management of hospital discharge of patients back into the community, DAAs, HMRs, RMMRs QUMs, Clinical interventions, etc, despite the meagre amounts we receive for these currently, we **MUST** draw on profits from trading to sustain all of the costs involved in providing the

infrastructure needed to fulfil this professional role. As profits decrease so must the service levels we can provide. **There is likely to be a consequence to the taxpayer /Government as a result.**

Opening up the location rules, will result in discounters and many disaffected employee pharmacists opening pharmacies in random positions most likely to be close to successfully operating professional pharmacies. The impact on viability will most affect those established pharmacies which will struggle to maintain their professional service level due to the inevitable consumer confusion.

The only alternative to the current system would be to nationalise the pharmacy industry so that the government pays the pharmacists and pharmacy assistants (proper) wages and super directly and maintains the infrastructure required to provide a highly accessible and professional pharmaceutical service. **Imagine the cost to the taxpayer to do this.**

Something has to improve in our industry. There is such uncertainty regarding the future, wages are so low and costs are so high. Competitive pressures are affecting our ability to remain viable and as a consequence our not inconsiderable investment in our own infrastructure is at risk.

Could you do without such an accessible network of professional pharmacies?

Today I had an elderly customer come to our pharmacy obviously looking unwell. We gave him a FREE blood pressure test during his FREE sleep apnoea consultation (for which he was booked already). One of our pharmacists reviewed him and organised (phoned) for an ambulance to take him to hospital as a result of his very high BP reading and a staff member waited with him until the ambulance arrived. This gentleman was able to be treated in hospital quickly as a result of the excellent service provided by this pharmacy. Fortunately, he was able to be discharged later that day after treatment. This could have been a completely different story had he not been so confident that we were able to advise, assist and monitor him.

Last week an elderly lady had a fall outside the pharmacy. The pharmacist was able to provide FREE basic first aid and dressed the skin tear which resulted from the fall. No GP or hospital visit needed.

Thank you for considering my submission,

Yours faithfully,

Joanne Sorensen, Proprietor

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