



THE HON SUSSAN LEY MP

Minister for Health
Minister for Aged Care
Minister for Sport

Pharmacy Guild of Australia Annual Dinner - Great Hall, Parliament House

Speech

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***** Check against delivery *****

It is a pleasure to be here tonight.

Australia's pharmacy sector has always been a vital part of our world class health system. And it will continue to be so in the future.

The pharmacist's role is indeed a special one.

It is a special one for all Australians.

For so many health consumers, pharmacists are their primary touch point in the health care system.

People '*ask their pharmacist*' much more than they go to see their GP – as much as 12 times more in a year.

This relationship is not just for prescriptions, but for advice on all aspects of their health care needs.

There is a reason it's called 'Community Pharmacy'.

This vital role is one that I see providing benefit across the country - in particular in rural communities, including my own.

But it is a role that must continuously evolve, as our health needs and our health system evolve.

As I have said before, Australia's healthcare system is at a crossroads.

We are facing significant challenges in maintaining the sustainability of our health system; and at the same time continuing to deliver the high quality care all Australians have come to expect.

We now have 21st century healthcare needs working off the legacy of a 20th century health system for their delivery.

Demographic and lifestyle changes have increased our burden of chronic disease... not only increasing the demand for health services but also changing their complexity.

This challenge is coupled with the increasing expectations of the Australian health consumer. But I don't see this challenge as all doom and gloom.

Advances in digital technology and health information are providing new and exciting opportunities in the delivery of health care services and the quality use of medicines.

Pharmacy's challenge is to develop these new solutions; address these emerging challenges and capitalise on the genuine potential of your profession and sector.

New solutions which can tap into our funding commitment of \$50 million for Pharmacy Trial Programmes to offer new and innovative ways for pharmacists to participate in the wider primary healthcare environment.

I see a vital role for pharmacy in providing a link with the broader health reform agenda to develop consumer care consistent with the work being undertaken elsewhere in my portfolio.

Sixth Community Pharmacy Agreement

Over the course of this year, I have appreciated the frank and robust discussions with you as a sector – and with George and David from the Guild in particular – as we developed a new pharmacy agreement.

I believe the Sixth Community Pharmacy Agreement is a sound blueprint for your sector for the next five years.

It provides a platform for your sector to position itself in preparation for the next phase of pharmacy and healthcare reform in Australia.

The package not only delivers an overall increase in remuneration – it delivers a doubled investment in medication management and primary health care services.

From \$663 million under the previous agreement, to over \$1.26 billion this time round.

I acknowledge that while not everyone will be completely happy with all elements of the package – it was balanced and, in my view, delivered both for pharmacy and for consumers.

Again, I acknowledge the significant contribution of the Guild in making it happen.

There are elements of the package which I know some in the sector would prefer not be there. One of these key areas was through allowing the discounting of the PBS co-payment.

I make no apologies for a measure that will help drive a more competitive sector.

I am of the view that price competition will drive value for the consumer – this is in line with other parts of the health sector which discount patient contributions as a matter of course

I believe this change was fair, and reasonable.

We listened to the sector and agreed to a maximum of \$1 discount for the life of the Agreement.

For consumers with a life-threatening disease or chronic condition requiring ongoing medication, any dollars they can save will be greatly appreciated.

It's important to understand that this was an important part of the overall package – and allowed us to increase the investment in pharmacy for the life of the Agreement.

It was important during negotiations to ensure the objective of equity of access was achieved.

As a result of this agreement we will continue to see a broad pharmacy network continue to thrive.

Again, we listened – and I agreed to the continuation of the current pharmacy location rules.

However, like all regulations or process, it is important to ensure that rules implemented are continuously reviewed to ensure they deliver most effectively those outcomes they were set up to achieve.

That is, affordable quality medicines for all Australians, delivered through a strong and efficient pharmacy sector.

So during the first two years of the 6CPA, there will be a comprehensive, independent review of pharmacy remuneration and regulation.

This is not only important for transparency and accountability but also to ensure the sector is working efficiently, effectively and continues to meet the needs of consumers.

It will also ensure that investment in pharmacy represents value to the taxpayer...and importantly encourages pharmacy and pharmacists to evolve and innovate to meet the changing needs of society.

I am therefore pleased to announce tonight the membership of the Expert Panel who will be tasked with undertaking this Review.

The Panel will be chaired by Professor Stephen King, a Professor of Economics and former Dean at Monash University;

Mr Bill Scott, an experienced community pharmacy owner who has had a number of high profile positions including as the director of Sigma Pharmaceuticals; and

Ms Jo Watson, current Deputy Chair of the CHF Board and consumer representative on the Pharmaceutical Benefits Advisory Committee.

The Review will undertake a transparent and public assessment of the cost-effectiveness of all parts of remuneration, both to pharmacy and wholesalers, as well as the appropriateness of location rules.

The Review will Report to Government in the first half of 2017.

Next steps

Pharmacy is not a sector in isolation; a profession aside from all others.

It is an integral and vital part of primary and hospital care.

Therefore I encourage you to be engaged as a sector, and as individual pharmacists in understanding the health care reviews I am undertaking; and the possibilities that come from them.

Possibilities for Australian health consumers that pharmacy can contribute to, in:

- rebuilding primary care
- supporting the delivery of better mental health services;
- re-imagining what digital health might look like
- even integrating physical activity into medication management as a way towards living a healthier and productive life

These reviews are a practical series of key initiatives for health reform which have great opportunities for pharmacy.

The MBS review headed up by Professor Bruce Robinson;

the Primary Care Advisory Group review headed up by Dr Steve Hambleton

the Mental Health Commission's report and the subsequent Mental Health Expert Reference Group

and most recently, the consultative review into Private Health Insurance.

In addition;

The Federation White Paper is looking at federal State responsibilities including health;

And finally the Aged Care Sector Committee is reporting to me by the end of the year on a roadmap for the next wave of aged care reforms.

These should not to be seen as a series of isolated initiatives.

Individually each is only part of the health puzzle.

Together they offer an opportunity to make the whole system more capable, more modern, more efficient and more appropriate for our 21st century needs.

And I encourage pharmacy to look at where it can be a key player in delivering new and improved health outcomes for consumers.

I encourage you to develop relationships with other service providers in your areas and with your local Primary Health Networks.

The introduction of Primary Health Networks will provide a regional structure and funding source to commission and connect health services locally.

Consumers and communities will now be formally included in planning and guiding their own primary health care.

The community advisory committees will ensure that the PHNs target the health needs of local people and listen to feedback from patients.

This is a fresh approach to consumer engagement offering opportunities to develop local service models of care tailored to the needs of patients.

Through commissioning and linking services locally the PHNs should improve coordination of care for people with chronic and complex problems.

Conclusion

I encourage you to be a significant part of this reform.

I also encourage you to embrace digital health and innovation in the health sector.

We have provided \$485 million to redevelop the digital health record system.

The *My Health Record* opt-out trials will commence in early 2016 for around 1 million Australians in a number of geographic trial sites.

People will be able to opt-out or apply access and information controls to their record.

Clinicians and Hospitals will inform consumers when information is going to be added to their health record; ensuring no one has a record created without their knowledge.

But the *My Health Record* however is just one building block in the possibility of digital health.

Health professionals talk about using technology to deliver their services;

Hospitals talk about transferring records;

Governments talk about analysing big data to guide planning future health services.

All worthy benefits of the digital revolution.

But the group that will ultimately lead the digital health revolution will be consumers themselves;

The consumer will drive this change in the health care environment.

It's important as health providers and Governments that we recognise this.

What we think today will be superseded tomorrow by innovative technology and by what the consumer actually wants; not just what we think they want.

The best thing as a Government we can do is give the consumers access the health information we have of theirs; their MBS data, their PBS data; and allow them to use it, as they wish.

Provide it to who they want, for their own benefit.

As part of the Government's innovation agenda I am committed to giving individuals open source access to what should be theirs anyway.

The best thing as a health provider we can do is to understand what consumers want; what they need.

Their Apple watch, their Android phone, their Fitbit...will be as much part of the next generation's thinking as their GP and their pharmacist have been for the last 50 years.

Where will Pharmacy and pharmacists be in this digital revolution?

Because of your special relationship with your customers I am always confident that pharmacists will be an integrated part of where this revolution takes us.

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