



Dispensing medicines under the Eighth Community Pharmacy Agreement

What is the Eighth Community Pharmacy Agreement?

The Eighth Community Pharmacy Agreement (8CPA) is an agreement between the Commonwealth of Australia, and the Pharmacy Guild of Australia. It supports consumer access to Pharmaceutical Benefits Scheme (PBS) subsidised medicines through community pharmacies across Australia.

The 8CPA demonstrates a significant increase in the Government's investments in community pharmacy. This includes higher dispensing remuneration and increases in funding for Community Pharmacy Programs. This includes a funding envelope of \$26.5 billion, comprising:

- \$13.54 billion in pharmacy remuneration for dispensing PBS subsidised medicines
- \$1.30 billion for community pharmacy programs
- an additional \$3 billion to provide the Legislated Payment, new community pharmacy programs, indexation freeze and program evaluation.

The 8CPA will support all Australians to have access to timely, safe, affordable, and life-saving medicines in accordance with the National Medicines Policy (2022). This includes through the Government's sought amendments to the National Health Act 1953 to freeze indexation of PBS patient co-payments for general patients (\$31.60) for 2025. This also delivers up to a five-year freeze to the co-payment for PBS prescriptions for concession and pensioners (\$7.70) from 1 January 2025.

The 8CPA starts 1 July 2024 and will be in place until 30 June 2029.

Key changes to dispensing medicines.

- Remuneration in the 8CPA does not include a wholesale mark-up component, or the Community Service Obligations arrangements. These will instead be part of the First Pharmaceutical Wholesaler Agreement (still under negotiation).
- A new Payment Adjustment Mechanism and Legislated Adjustment Mechanism has replaced the 7CPA Remuneration Adjustment Mechanism. These mechanisms will result in a guaranteed minimum dispensing remuneration from the Commonwealth over the life of the 8CPA.
- The mechanisms include half-yearly reviews of actuals against estimated script volume to ensure delivery of this remuneration.
- From 1 July 2024, the 8CPA will give more support to all community pharmacies through the legislated payment; the Additional Community Supply Support Payment.
- The Additional Community Supply Support Payment will aim to be an automated payment by 1 July 2025.
- The 8CPA reflects the extra funding to achieve the aspirational goal for community pharmacies transition towards providing a wider range of primary health care services.
- In the first 12 months of the agreement, the Department will pursue further with the aim to alleviate delays of payment timeframes and improve digitisation.