

# **Certainty for Pharmacists as the Seventh Community Pharmacy Agreement is signed**

## **Overview**

On Thursday 11 June 2020, the Government finalised a Seventh Community Pharmacy Agreement (7CPA) with the Pharmacy Guild of Australia, and included the Pharmaceutical Society of Australia as a signatory for the first time, underpinning the Australian Government's investment in improving the supply and dispensing of medicines.

The 7CPA will commence on 1 July 2020 and operate until 30 June 2025, whilst remuneration for the dispensing of subsidised PBS medicines, community pharmacy medication management programs and services is expected to be \$18.3 billion over the five year term of the 7CPA.

Some key outcomes of the 7CPA are summarised below.

## **Double Dispensing**

Despite initial Government support to extend prescription lengths from 30 to 60 days, the measure was not included in the 7CPA. The Rural Pharmacy Network Australia had estimated the introduction of 60 day prescriptions would cause an average loss of \$85,000 in gross profit per pharmacy and may have led to less services, pharmacy closures and job losses. The change was also strongly opposed by the Pharmacy Guild of Australia.

## **Continuation of Optional \$1 Discount**

Despite opposition from the Pharmacy Guild of Australia, approved pharmacists may continue to discount the PBS patient co-payment by \$1 per PBS supply, although the discount has not been expressly included in the 7CPA.

## **Medication Management Services**

The Australian Government has advised its investment in medication management services and programs has increased to \$1.2 billion over five years under the 7CPA, which is an additional \$100 million compared to the expenditure in the Sixth Community Pharmacy Agreement.

## **Vaccinations**

The 7CPA makes reference to the Pharmacy Guild of Australia and the Australian Government both supporting the development of a nationally consistent policy on suitably qualified pharmacists administering vaccines, and we anticipate further updates in this regard in the coming months and years.

## **Aboriginal and Torres Strait Islander Support**

The reforms improve access to medicines for Aboriginal and Torres Strait Islander people who have, or are at risk of, chronic disease by expanding eligibility for free or low-cost medicines under the Closing the Gap PBS Co-payment measure.

The 7CPA also expands patient access to dose administration aids by doubling the base cap for pharmacies providing the services and providing uncapped access for Aboriginal and Torres Strait Islander peoples.

## **Rural Investment**

The 7CPA provides greater support for regional, rural and remote pharmacies through an increase in the Rural Pharmacy Maintenance Allowance, which is also slated for further increases during the term of the 7CPA.

## **Further Benefits**

Other features of the 7CPA include:

- improved medication management services and adherence programs for elderly Australians, people with chronic conditions and those on concession cards;
- greater transparency on the cost of medicines; and
- reduced level of discretionary fees on medicines priced below the general patient co-payment.

## **Next Steps**

If you have any queries, or wish to discuss the impact of the 7CPA on your pharmacy, please contact us.