Health Consumers Queensland submission

Queensland Parliament

Health, Communities, Disability Services and Domestic and Family Violence Prevention Committee

Inquiry into the establishment of a pharmacy council and transfer of pharmacy ownership in Queensland

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About us

Health Consumers Queensland is the peak organisation representing the interests of health consumers and carers in the state. Health Consumers Queensland is a not-for-profit organisation and a registered health promotion charity and we believe in improving health outcomes for people in Queensland.

Consumers are people who use, or are potential users, of health services including their family and carers. Consumers may participate as individuals, groups, organizations of consumers, consumer representatives or communities.

Our priority focus is on consumer engagement that influences and leads improvements and delivers better health outcomes for all Queenslanders. We achieve this through our Queensland-wide health consumer network, tailored training and skills development programs, and maximising opportunities for consumer representation at all levels of the health system.

Consumer engagement is when health consumers actively participate in their own healthcare and in health policy, planning, service delivery and evaluation at service and agency levels.

Recommendations

Health Consumers Queensland believes that deregulating pharmacy ownership and location rules can still ensure the professional, safe and competent provision of pharmacy services, and maintain public confidence in the pharmacy profession through strong clinical governance and professional standards of employee pharmacists.

The Pharmacy Business Ownership Act 2001 should be amended to allow any party to own a pharmacy, subject to requirements for dispensing only by a qualified pharmacist. Removing the pharmacy ownership restrictions under the Act would improve community outcomes through increased competition and an increase in the diversity of service delivery locations.

If the State Government does de-regulate pharmacy ownership, review mechanisms should be built in to oversight a) performance for patient outcomes and b) that this hasn't inadvertently disadvantaged availability/access in certain regions or population groups.

In regards to the formation of a pharmacy council in Queensland, unresolved questions leave us unable to form a concrete view.

Whichever ownership and regulatory model the State Government decides upon, there should be increasing transparency to the public about the measurable health outcomes for consumers by all community pharmacies.

Pharmacists must be appropriately remunerated and supported to work in ways/models which enable them to work to their full scope/extended scope. We support evaluated trials where appropriate and rollout of those (and more) listed in this inquiry's discussion paper.

Consistent training of pharmacy assistants must be ensured through the introduction of mandatory minimum vocational training and competencies.

Introduction

Our organisation welcomes the opportunity to provide an organisational response to this inquiry, particularly focused on these consumer-focused principles of person-centred, integrated health care:

- Accessibility - safe, affordable and high quality services, treatments, preventative care and health promotion activities.
- Respect - healthcare that meets consumers' unique needs, preferences and values
- Choice – a responsive health system which ensures consumer choices in treatment and management options
- Participation - patient involvement in health policy to ensure that they are designed with the patient at the centre[1].

For many Queenslanders, especially those living outside cities and/or in communities where they experience unacceptable delays and out of pocket costs when seeking general practitioners, a community pharmacy is the most affordable, timely and accessible way to receive health information and the safe dispensing of medicines.

That said, we agree with our federal peak body Consumers Health Forum when they stated:

> *Disruptive technologies, changing community needs and expectations, workforce changes as well as the move to a more integrated primary health system that puts the consumer at the centre of care all mean there is pressure to reimagine how we give people access to medicines and other community pharmacy services*[2].

This inquiry is timely, to look to the role of pharmacy within that vision, to improve the health literacy and measurable health outcomes of Queenslanders.

[1] International Alliance of Patients' Organizations (2006) Declaration on Patient-Centred Healthcare (IAPO: London) https://www.iapo.org.uk/sites/default/files/files/IAPO%20Declaration%20on%20Patient-Centred%20Healthcare%20Poster.pdf
[2] p. 5, Submission, Consumers Health Forum, Commonwealth Government's independent Review of Pharmacy and Regulation (Sep 2016) https://chf.org.au/sites/default/files/chf_submission_to_review_of_pharmacy_remuneration_and_regulation.pdf

Response to issues for consideration

Pharmacy ownership regulation in Queensland (1-6)

On this issue we support the position held by our federal peak body Consumers Health Forum as articulated in their Submission to the Commonwealth Government's independent Review of Pharmacy and Regulation:

> *We look to deregulation of location and ownership to be the springboard for more innovation and meeting changing consumers' expectations around when and where they get their medicines and other pharmacy services*[3].

Consumers Health Forum's recommendations on changes to location and ownership rules were clear:

> *The Federal Government should remove existing location rules and allow new pharmacies to be established by competition, for the benefit of consumers.*
>
> *The Federal Government should work with State and Territory Governments to review the ownership rules with the aim of abolishing them*[4].

Whilst Consumers Health Forum were disappointed that the Commonwealth Government chose not to reform pharmacy location rules in 6CPA, they see reform is still possible through the review of policies aimed at supporting the objectives of the location rules[5].

The pharmacy ownership restrictions imposed by the Pharmacy Business Ownership Act 2001 (Qld) (Act) - which restricts ownership of pharmacies to a pharmacist, a corporation (whose directors and shareholders are all pharmacists, or a combination of pharmacists and relatives of the pharmacist, in which the majority of shares are held by pharmacists and in which only pharmacists hold voting shares), a friendly society or Mater Misericordiae Health Services Brisbane Limited – are *not* necessary to protect consumers and deliver accessible and affordable medicines and services.

As the Committee's issues paper recognises "*other primary healthcare providers however, operate without the need for ownership (and location) restrictions. For example, ownership of medical practices is not limited to General Practitioners (GPs), nor are GP practices prevented from locating in close proximity to one another*"[6].

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[3] p. 3, Submission, Consumers Health Forum, Commonwealth Government's independent Review of Pharmacy and Regulation (Sep 2016)
https://chf.org.au/sites/default/files/chf_submission_to_review_of_pharmacy_remuneration_and_regulation.pdf
[4] p. 3-4, Submission, Consumers Health Forum, Commonwealth Government's independent Review of Pharmacy and Regulation (Sep 2016)
https://chf.org.au/sites/default/files/chf_submission_to_review_of_pharmacy_remuneration_and_regulation.pdf
[5] p. 9, Submission, Consumers Health Forum, Interim Report: Review of Pharmacy Remuneration and Regulation (Jul 2017)
https://chf.org.au/sites/default/files/chf_submissions_on_interim_report.pdf
[6] Paper No. 2, 56th Parliament, Inquiry into the establishment of a pharmacy council and pharmacy ownership in Queensland (June 2018)
http://www.parliament.qld.gov.au/Documents/TableOffice/TabledPapers/2018/5618T747.pdf

We recognise that the inclusion of this ownership restriction in the Act was aimed at promoting the professional, safe and competent provision of pharmacy services, and to maintain public confidence in the pharmacy profession[7], by the owning pharmacist being ultimately responsible for the safe provision of medicines under legislation and their professional standards, in addition to the responsible pharmacist on duty.

The Pharmacy Guild stated the following in their submission to the Review of Pharmacy Remuneration and Regulation:

> *Ensuring that a pharmacist owns and controls a pharmacy practice is a social objective underpinned by pharmacy legislation. It reflects the community expectations and desire to maintain the integrity of the professional relationship between pharmacist and patient. That relationship hinges on trust and personal service, with pharmacists being directly accountable and liable for the services they provide[8].*

In Australia there are laws restricting the number of pharmacies that an individual pharmacist may own in each state (in Queensland up to five). However the community does not know how many pharmacies one individual may own in total across the country. Conceivably, with lack of publicly available evidence otherwise, individuals could own 29 pharmacies across the states and more in the territories. Nor are we assured how much time each owner is committing to on the ground accountability in each community pharmacy, with ownership not being limited to residents of each state. These unknowns weaken the argument that all pharmacist-owned pharmacies have the same additional layer of accountability. Nor does it assure the community of the integrity of the pharmacist-patient relationship.

Health Consumers Queensland believes that deregulating pharmacy ownership and location rules can still ensure the professional, safe and competent provision of pharmacy services, and maintain public confidence in the pharmacy profession through strong clinical governance and professional standards of employee pharmacists.

This is supported by Consumers Health Forum:

> *CHF believes the current need for a pharmacy to be owned by a pharmacist is an anachronism and should be abolished. There certainly is the need for a qualified pharmacist to be on duty at all times and for clinical leadership, particularly where the pharmacy is offering a range of primary health care type services. The current arrangements do not require the owner pharmacists to be in the store, indeed we know this is not the case as many pharmacy owners have multiple stores and so use staff pharmacists[9].*

We have been unable to find clear evidence to show that across jurisdictions internationally, deregulation of ownership and location rules has resulted in a reduction in access to community pharmacy services in either urban or rural settings.

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[7] Pharmacy Business Ownership Act 2001, s 8.
https://www.legislation.qld.gov.au/view/pdf/2012-07-01/act-2001-012

[8] p. 33 Pharmacy Guild, Submission into the Review of Pharmacy Remuneration and Regulation (Sep 2016)
https://chf.org.au/sites/default/files/chf_submission_to_review_of_pharmacy_remuneration_and_regulation.pdf

[9] p. 9, Submission, Consumers Health Forum, Commonwealth Government's independent Review of Pharmacy and Regulation (Sep 2016)
https://chf.org.au/sites/default/files/chf_submission_to_review_of_pharmacy_remuneration_and_regulation.pdf

Saying that, if the State Government did de-regulate pharmacy ownership, review mechanisms should be built in to oversight a) performance for patient outcomes and b) that this hasn't inadvertently disadvantaged availability/access in certain regions or population groups.

The Productivity Commission identified that opening human services up to competition and contestability can stimulate choice through innovation and also improve outcomes:

> *Increasing competition and contestability is not an end in itself. Rather, competition and contestability can be part of a system that encourages providers (and governments) to be more effective at achieving outcomes for service users by improving service quality, using innovative service models, expanding access so more people get the support they need, and reducing the costs to government and users who pay for those services. Many service providers are intrinsically motivated to improve their services, but may not be rewarded for better performance. In some cases, regulatory and funding arrangements effectively discourage innovation by prescribing how service providers must deliver their services to receive funding. Systems that recognise and reward approaches that are more effective in achieving service outcomes have the potential to deliver higher-quality, more responsive and more accessible services*[10].

We propose that **removing the pharmacy ownership restrictions under the Act would improve community outcomes through increased competition and an increase in the diversity of service delivery locations.** Currently all pharmacy services must be provided through a brick and mortar pharmacy, with the location of those controlled through the location rules. If both were de-regulated, it would allow for innovative service delivery models and greater competition, which would increase community access whilst protecting safety by medicines being provided in line with current legislation and professional standards including a qualified pharmacist on duty and safe storage of medicines.

The Act should be amended to allow any party to own a pharmacy, subject to requirements for dispensing only by a qualified pharmacist. The community would be better off under such a scenario because it would allow greater opportunities for service delivery and access.

We want to see innovation and positive disruption of the industry, to keep up with community expectations around accessible integrated models of care. Some examples of this could include but not be limited to:

- Depot pharmacies in small convenience stores in rural/remote towns – these could be co-located/owned by a local convenience store and staffed by a visiting regional pharmacist who could travel between towns with depot pharmacies, providing a service one-three days per week.
- Telepharmacy where people in very remote locations can pick up securely stored medications and receive personalised instructions from a pharmacist and specialist in hospital if needed over the phone.

[10] p. 41 Productivity Commission, Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform (Nov 2016) https://www.pc.gov.au/inquiries/completed/human-services/identifying-reform/report/human-services-identifying-reform.pdf

- Increasing the embedding of non-dispensing pharmacists into primary healthcare teams including recruiting pharmacists to work in general practice or Aboriginal Medical Services, to improve patient medication management and quality use of medicines[11].
- In addition, a change in location rules could allow for these pharmacists to also dispense from a pharmacy co-located in a multidisciplinary primary health care hub, consistent with the direction of primary health care reform, taking services to where people are and not expecting to go where each service is located.

Although community pharmacy is the recipient of substantial public funds, there is currently no public transparency of reporting on standards or measureable outcomes of any pharmacies, so it is not possible for the community to know if there is any difference in performance of pharmacies owned by non-pharmacists in Queensland (such as those run by friendly societies or the Mater Misericordiae Health Services Brisbane Limited) in relation to protecting consumers and delivering accessible and affordable medicines and services.

In addition to looking at whether the Act's current protections aimed at promoting public confidence in the pharmacy profession now and into the future are adequate, attention must also be given to current industrial environment in the dominant community pharmacy business models.

The Interim Report of the Review of Pharmacy Remuneration and Regulation[12] made specific mention of low wages for employee pharmacists, in particular new graduates. Examination of the industrial award reveals that a pharmacy intern in their first year of employment receives $23.25 per hour, whilst a pharmacy assistant receives $20.79 - $22.94 depending on experience. Employee pharmacists are paid $27.19 per hour, an experienced pharmacist $29.78, pharmacist in charge $30.48 and pharmacist manager $33.97[13]. These wages elicit community surprise, given the high trust in pharmacists and the considerable amount of time it takes to study/qualify for this profession.

There is a disparity in pay between employee pharmacists and hospital based pharmacists (new graduates employed in hospitals receive $32.42 per hour[14]) which is likely to contribute to the geographic maldistribution of pharmacists.

The 2017 Fair Work Commission penalty rates case decision resulted in some employee pharmacists receiving a reduction in their Sunday and public holiday penalty rates. The Review of Pharmacy Remuneration and Regulation's Interim Report identified that this issue "*highlights the tension between pharmacists operating as both retailers and health professionals In this regard, the Panel notes that no other health profession was considered in scope of the Fair Work Commission's review of awards in the retail sector*"[15].

The Review also cited online polls of pharmacists reporting considering leaving the industry in numbers between 33%-61%, indicating difficulties in retaining the workforce.

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[11] p. 13 Review of Pharmacy Remuneration and Regulation – Interim Report – June 2017
https://www.health.gov.au/internet/main/publishing.nsf/content/7E5846EB2D7BA299CA257F5C007C0E21/%24File/interim-report-final.pdf
[12] p. 15 Review of Pharmacy Remuneration and Regulation – Interim Report – June 2017
https://www.health.gov.au/internet/main/publishing.nsf/content/7E5846EB2D7BA299CA257F5C007C0E21/%24File/interim-report-final.pdf
[13] Pay Guide, Pharmacy Industry Award 2010
https://www.fairwork.gov.au/ArticleDocuments/872/pharmacy-industry-award-ma000012-pay-guide.pdf.aspx
[14] Queensland Health wage rates – health practitioners, HP3, pay point 0 (Oct 17)
https://www.health.qld.gov.au/hrpolicies/wage_rates/health-practitioners
[15] p. 13 Review of Pharmacy Remuneration and Regulation – Interim Report – June 2017

Reforming ownership rules also means employee pharmacists, especially young pharmacists, will have a diversity of employment locations broader than being low-paid employees of community pharmacies or taking on the large financial risk to enter the tightly controlled pharmacy market[16].

New models of pharmacy provision should also increase the time pharmacists have to give advice and information to consumers. We are aware that in some community pharmacies, a high workload (including a high volume of scripts and Webster packs from walk-in consumers and aged care facilities) means both pharmacists and pharmacy assistants can be limited in the time they can spend with each consumer. This is supported by submissions to the Review of Pharmacy Remuneration and Regulation[17]. Further, Consumers Health Forum reported that "*less than half of people who receive a prescription medicine are offered any information on that medicine. This would seem to be inconsistent with the National Medicines Policy's push to have quality use of medicines*."[18]

These issues indicate a need for the pharmacy profession to consider issues that are more broad than ownership, regulation and location rules, if they want to retain the trust of the community in the professionalism of community pharmacy.

Pharmacy ownership regulation in other Australian jurisdictions (9-10)

Again, given the lack of publicly available data on outcomes of community pharmacies, we are unaware whether the community outcomes in the Australian territories are different from the Australian states.

Administration of pharmacy ownership regulation in other jurisdictions (11-16)

In regards to the formation of a pharmacy council in Queensland, unresolved questions leave us unable to form a concrete view.

We would like a greater understanding as to why Queensland was the only state not to have their Pharmacy Board morph into a Pharmacy Council.

Given that Queensland Health currently oversee the regulation of medicines and drugs, maintain a register of pharmacy ownership and what is being dispensed (eg. opiod treatment programs, medicinal cannabis distribution, etc), it is unclear whether health consumers and the community would be assured that a new pharmacy council in Queensland would provide greater performance, safety & quality than current monitoring and regulation through Queensland Health. **If the Queensland Government did choose to establish a pharmacy council, we would want assurance that the outcomes and performance of the body would be measured and made publicly available.**

[16] p. 15 Review of Pharmacy Remuneration and Regulation – Interim Report – June 2017
https://www.health.gov.au/internet/main/publishing.nsf/content/7E5846EB2D7BA299CA257F5C007C0E21/%24File/interim-report-final.pdf
[17] p. 16 Review of Pharmacy Remuneration and Regulation – Interim Report – June 2017
https://www.health.gov.au/internet/main/publishing.nsf/content/7E5846EB2D7BA299CA257F5C007C0E21/%24File/interim-report-final.pdf
[18] p. 7, Submission, Consumers Health Forum, Commonwealth Government's independent Review of Pharmacy and Regulation (Sep 2016)
https://chf.org.au/sites/default/files/chf_submission_to_review_of_pharmacy_remuneration_and_regulation.pdf

Given that much of this information is not publicly available now, if the current model remained, we see the benefit in these outcomes being made publicly available.

Unless these questions can be answered, we cannot clearly state that the establishment of a pharmacy council in Queensland is necessary to improve community outcomes.

Whichever ownership and regulatory model the State Government decides upon, there should be increasing transparency to the public about the measurable health outcomes for consumers by all community pharmacies.

The other issue we wish to address is independence. The Pharmacy Guild of Australia's background brief to this inquiry referred to a pharmacy council providing greater regulatory independence[19]. However we question whether the independent authority model proposed by the Guild - consisting of "representation from the pharmacy profession…specialist professional and business expertise and consumer representation" - provide independence, or be seen as self-regulation of the profession.

Given this, it should be considered if public interest could continue to be protected through departmental regulation including pharmacy ownership and service provision, and registration of premises (which could be broader than just community pharmacy locations and include other locations listed in our submission).

Competition issues with pharmacy ownership regulation (17)

Consumers Health Forum states:

> *The 6CPA references the Australian Government's Pharmacy Location Rules (Location Rules), which regulate where new pharmacies that dispense PBS prescriptions may open and to where existing pharmacies may relocate. These rules protect pharmacies from competition from supermarkets and other pharmacies that want to open within 1.5 kilometres of an existing pharmacy. The location rules combined with the ownership rules, stipulated in the state and territory legislation and restrict the ownership of pharmacies to pharmacists, have led to a gross monopolisation of the sector. There are more than 25,000 registered pharmacists but less than 4,000 pharmacy owners[20].*

In order to truly understanding competition in our state, we would be interested to know this same ratio in Queensland – how many registered pharmacists and how many pharmacy owners – as well as how many community pharmacies exist in Queensland and where those owners live (in Queensland or interstate).

We would also be interested in seeing a map with a breakdown of where community pharmacies are located and what number/where Queenslanders live who don't have access to a community pharmacy.

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19 Pharmacy Guild of Australia background brief , Inquiry into the establishment of a pharmacy council and the transfer of ownership in Queensland (May 2018)
https://www.parliament.qld.gov.au/documents/committees/HCDSDFVPC/2018/Pharmacy/bp-30May2018.pdf

20 p. 8, Submission, Consumers Health Forum, Commonwealth Government's independent Review of Pharmacy and Regulation (Sep 2016)
https://chf.org.au/sites/default/files/chf_submission_to_review_of_pharmacy_remuneration_and_regulation.pdf

As previously articulated in our submission, in line with the Harper Review's recommendations and the Commonwealth's response to this Review (as outlined in this inquiry's discussion paper[21]) and the majority of developed countries, we believe that reforming pharmacy ownership restrictions beyond the current Act whilst ensuring ongoing strong legislative and professional governance is likely to improve community outcomes by both protecting consumers and delivering accessible and affordable medicines and services in Queensland.

Pharmacists' and pharmacy assistants' roles and scopes of practice (18-19)

Geographic challenges to accessing health care, unacceptable inequities in health outcomes for Aboriginal and/or Torres Strait Islander Queenslanders, an ageing population and rising rates of chronic disease mean that Queensland must maximise the impact of our health workforce. In particular nursing, midwifery, allied health and pharmacists must be enabled to work to their full scope, where possible in integrated multidisciplinary place-based models of care.

Pharmacists must be appropriately remunerated and supported to work in ways/models which enable them to work to their full scope/extended scope, in addition to "*the more narrowly defined retail pharmacy as represented by the Guild*[22]*".* **We support evaluated trials where appropriate and rollout of those (and more) listed in this inquiry's discussion paper.**

Consistent training of pharmacy assistants must be ensured through the introduction of mandatory minimum vocational training and competencies.

[21] P. 6 Paper No. 2, 56th Parliament, Inquiry into the establishment of a pharmacy council and pharmacy ownership in Queensland (June 2018)
http://www.parliament.qld.gov.au/Documents/TableOffice/TabledPapers/2018/5618T747.pdf

[22] p. 7, Submission, Consumers Health Forum, Commonwealth Government's independent Review of Pharmacy and Regulation (Sep 2016)
https://chf.org.au/sites/default/files/chf_submission_to_review_of_pharmacy_remuneration_and_regulation.pdf

Conclusion

A robust community pharmacy sector has a vital role to play in the provision of safe, local, health care and an improvement in health outcomes for future Queenslanders.

This can be enabled through:

- designing the system to increase competition and enable a diversity of service delivery models/locations to enter the market for consumer benefit through deregulating pharmacy ownership
- strong clinical governance and professional standards
- increasing transparency to the public about the measurable health outcomes for consumers by all community pharmacies
- pharmacists being remunerated and supported to work in ways/models which enable them to work to their full scope/extended scope
- mandatory minimum vocational training and competencies for pharmacy assistants