



Pharmacy Services Expectations Report

The Pharmacy Services Expectations Survey was conducted in April 2014 with responses from over 500 pharmacies (10% of the industry) from all states and territories in Australia. The results indicate a disturbing collapse in business confidence among pharmacy owners in terms of being able to offer a full range of services and opening hours for the community. It follows the recent Pharmacy Employment Expectations Survey which found that pharmacies are likely to shed nearly 9,000 staff in the next 12 months.

In the next 12 months:

- **1 in 10** pharmacies will drop at least one trading day per week
- **1 in 4** pharmacies will reduce hours; on average by 5.4hr a week.

Critical services at risk of being reduced, discontinued, or increased in price:

- Dose administration aids
- Home deliveries
- Chronic disease support services
- Blood pressure checks
- Staged supply of medicines

Community pharmacy in Australia is an essential, cost-effective and highly accessible health care destination. The pharmacy network offers a range of professional services to patients, often free of charge or below cost. The Guild estimates that pharmacy gross profits will fall by an average of \$90,000 in 2014-15 due to reductions in PBS prices paid by the Federal Government.

The Pharmacy Guild of Australia and community pharmacies have consistently supported Price Disclosure as a means of ensuring that taxpayers get maximum value for money from the Pharmaceutical Benefits Scheme (PBS). However, as the impact of Price Disclosure increases during 2014-15 many pharmacies have no option but to reduce services, staff and availability.

For pharmacy businesses, prescription volume and remuneration can only be influenced in a very limited way. **With revenue reducing due to Price Disclosure, pharmacies are forced to cut their expenses so as to remain viable, impacting on services, availability and staffing.**

Opening Hours Reduction

The community pharmacy network is Australia's most accessible health care destination. Currently patients can seek advice, services and lifesaving medication in many cases 7 days a week, after hours and without an appointment.

The necessity of reducing expenses because of reduced revenue puts opening hours and after hours accessibility to the community in jeopardy.

Based on the survey results, one in ten pharmacies will be forced to drop at least one trading day per week in the coming year because of pressure on their revenue. Further, a quarter of pharmacies will reduce opening hours; on average by 5.4 hours a week, because of lower remuneration from the PBS.

"PBS Reform will force us to re-examine trading hours and some reduction from our standard 9-9, 7 days a week trading is inevitable....probably some reduction in trading hours on a Saturday evening and Sunday from 1st July 2014"

Neale Burton, General Manager Dispensary and Logistics - National Pharmacies



Service Impact

Results from the survey (See Figure 1) indicate the high level of services currently being provided to the community often free of charge or below cost. Unfortunately the results also indicate the high percentage of pharmacies that will discontinue or have to increase service prices in the next 12 months due to the impact of Price Disclosure.

The services most at risk of being stopped, reduced or increased in price are:

- Dose administration aids
- Home deliveries and compliance support
- Diabetes, asthma and chronic disease support services
- Blood pressure and other health checks
- Staged supply of medicines

Home Delivery

Home delivery services currently offered by over 4000 pharmacies will be hit heavily. Over 40% of pharmacies indicated they were planning to discontinue the service, with a further 12% reducing availability. Additionally 33% of pharmacies have indicated they will reluctantly increase the cost of this service to patients. Home delivery allows people to stay independent for longer, improving quality of life and reducing the burden on the health system and aged care facilities.

“Currently we provide a free home delivery service, most of these services are done by myself at no cost to the patient after hours. Price Disclosure has impacted my business heavily and I have had to let go of staff and a pharmacist. I will have to start charging for the home delivery service or on the other hand not offer the service at all.”

Nands Pharmacy, NSW

Dose administration aids

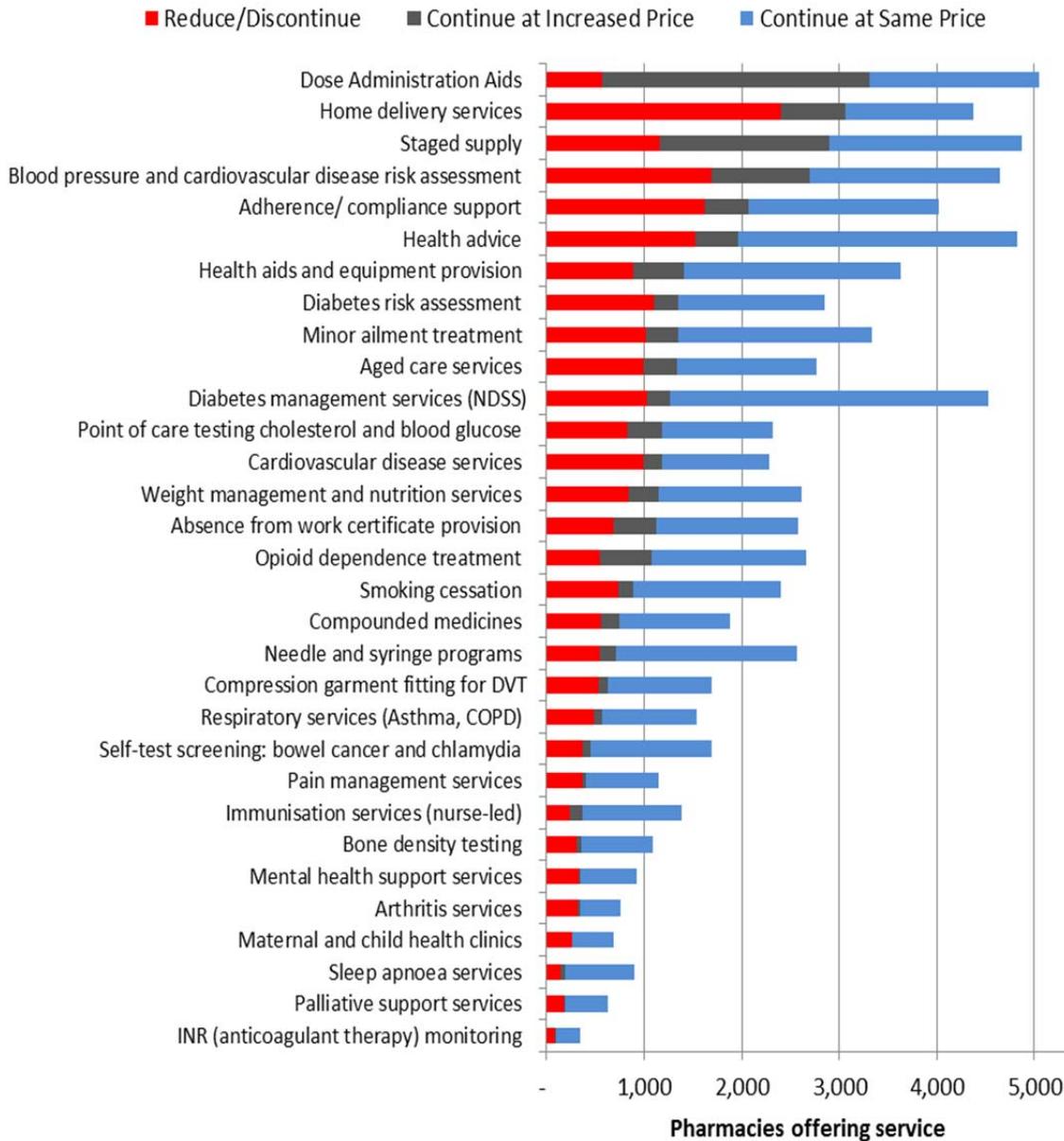
Dose administration aids are offered in almost all pharmacies (94%), and are of significant benefit in assisting people to take their medicines as prescribed. About 60% of respondents in the survey indicated that they may be forced to increase the cost to patients for this service. This will impact on those most at need of this service as they are also those least able to afford an increase.

Conclusion

This survey confirms that the funding crisis facing community pharmacies will mean a significant number of vulnerable patients face reduced access to the services they rely upon, and an increase in their costs making it less affordable to remain living independently in their home. The last thing a pharmacy wants to do is reduce the services to its patients, or charge more for such crucial basic services, but they are being left with no choice.



Figure 1: Summary of Pharmacy Services Expectations Survey Results, April 2014



- **RED BARS:** indicate the number of pharmacies discontinuing or reducing each service.
- **GRAY BARS:** indicate the remaining pharmacies which will continue to provide the service but at increased fees to patients.