

Your local pharmacy



What's changed?

Two days before the Federal election was called, the Government announced major changes to the Pharmaceutical Benefits Scheme that will have a serious impact on your local pharmacy.

These changes, done without consultation, will save the Federal Government \$835 million over four years starting in 2014-2015. But they will also have the unintended consequence of reducing the bottom line of the average pharmacy by about \$30,000 a year, in addition to a \$60,000 impact from the existing arrangements. There is however a five year formal pharmacy Agreement which is meant to deliver certainty for pharmacy businesses. This has now been breached. Under that Agreement, sharp price drops were already scheduled to occur and have been occurring, saving taxpayers billions of dollars. The pre-election surprise announcement pushes many pharmacies over the tipping point.

Does pharmacy want this savings measure - which will make many PBS medicines cheaper - reversed?

No. The Pharmacy Guild is not calling for the Economic Statement measure to be reversed. The Guild has supported the implementation of PBS Reform and the price disclosure mechanism since it was introduced more than five years ago. The Pharmacy Guild wants to deliver on the Agreement it signed with the Commonwealth. Pharmacists do understand the need for the PBS to be sustainable and affordable for Government, and for taxpayers to purchase medicines for the PBS at the best possible price. However, when price disclosure was first introduced, and when it was first accelerated in 2010, the Government adjusted pharmacy revenue to offset the impact of price disclosure on pharmacy revenues to ensure that the network of 5240 pharmacies remained viable. In the case of the 2 August Economic Statement, no such adjustment or compensation has been forthcoming. This is what is needed to address the looming crisis for community pharmacies.

How can this be solved?

In keeping with past precedents, there needs to be an adjustment to pharmacy remuneration to offset the impact of this unforeseen price disclosure measure. The Rudd Government in 2010 signed an Agreement with the Guild, known as the Fifth Community Pharmacy Agreement, the final year of which is affected by this measure – 2014-15. Under the Agreement, the Government undertook to consult the Guild on any health related budget initiative which has a significant and sustained impact on the viability of community pharmacy. That consultation did not occur before this measure was announced, but must occur now. Community pharmacies, with significant lease, staff and stock commitments must have certainty about their future ability to pay their bills. The Government must commit to topping up pharmacy dispensing remuneration in 2014-15 to fix the looming crisis.

What impact will it have on pharmacies?

These changes will make some pharmacies financially unviable, forcing them to:

- Reduce services for patients, including many services currently provided free of charge
- Reduce staff
- Reduce opening hours...or even close altogether.
- There are more than 400 rural and remote Australian communities that have only one pharmacy. These people of these towns risk completely losing access to PBS medicines as well as the range of services and community support provided by their only local pharmacy

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How many jobs could it affect?

There are around 60,000 pharmacists, pharmacy assistants and interns employed through community pharmacy. The pharmacy sector is a high employer of women. Furthermore some 5000 students are at university studying pharmacy, generally in a four year degree, and their job prospects now are bleak. A cut in pharmacy revenue of \$30,000 per pharmacy could cost up to 5,000 of those jobs. In some pharmacies, the response will be to opt for reduced patient services and reduced opening times rather than shedding staff, but either way the effect will be to jeopardise the standard of community pharmacy service that Australian health care consumers rightly expect.

What pharmacy services could be affected?

Aged Care services and home delivery services will be the first impacted because there is no additional remuneration for these services. To date they have been delivered as an add on service but pharmacy will no longer be in a position to assist. In addition mother and infant services; blood pressure monitoring; asthma inhaler technique review; bowel cancer screening; health education and promotion; lung function check; continence support; dose administration aids; mental health support; National Diabetes Services Scheme access points; needle and syringe program; methadone services; return of unwanted medicines for destruction; smoking cessation support; staged supply of medicines; wound management support are all at risk!

Could pharmacies really be forced to close because of this?

Last year a record number of community pharmacies went bankrupt. This new foreshadowed reduction in pharmacy income will push more and more pharmacies out of business.

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If people are concerned about this what action should they take?

If you value your local community pharmacy, please

- 1. Sign our petition**
- 2. Tell your friends**
- 3. Tell your local politician that your pharmacy and the services it provides are too important to put at risk.**

PLEASE SIGN OUR PETITION TODAY!

Tell the politicians ...



**SAVE MY
LOCAL
PHARMACY**

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We are community pharmacy



The Pharmacy Guild of Australia