# TABLE OF CONTENTS

**INTRODUCTION TO ScriptMAP 2020** ............................................................................................................. 1

**STEP ONE: SENDING DATA FROM YOUR DISPENSE SYSTEM** ................................................................. 3
- Sending data from FRED dispense system ................................................................................................. 4
- Sending data from RxOne dispense system ............................................................................................... 5
- Sending data from LOTS dispense system ................................................................................................. 6
- Sending data from MINFOS dispense system ............................................................................................ 8
- Sending data from Z Software dispense system ....................................................................................... 9
- Sending data from Aquarius dispense system ........................................................................................ 10

**STEP TWO: ENTERING ASSUMPTIONS AND PURCHASING YOUR SUBSCRIPTION** ....................... 11

**STEP THREE: DOWNLOADING AND INTERPRETING YOUR ScriptMAP 2020 REPORT** ............... 17
- Downloading your ScriptMAP 2020 report ............................................................................................ 17
- Interpreting your ScriptMAP 2020 report ............................................................................................... 19
- Individual Submitted Assumptions ........................................................................................................ 20
- ScriptMAP 2020 Summary Results ......................................................................................................... 20
- Impact of 6th Community Pharmacy Gross Profit, by components ...................................................... 21
- Recommended Action Points .................................................................................................................. 22
- Detailed ScriptMAP 2020 Analytics ....................................................................................................... 23
- Privacy note ........................................................................................................................................... 30
- Disclaimer ............................................................................................................................................. 30
INTRODUCTION TO SCRIPTMAP 2020

ABOUT ScriptMAP 2020

ScriptMAP is a financial forecasting product that provides pharmacy owners with a customised analysis of the impact of PBS reforms on their pharmacy through to 2020.

ScriptMAP was originally launched in April 2008, and has been highly valued by pharmacies for making business decisions, and improving and sustaining profits. The report has a respected position with valuers, accounting groups, banks and in the political arenas as the leader for accurate pharmacy-specific projections. The previous version of ScriptMAP, was launched in July 2010, it provided information relating to the Fifth Community Pharmacy Agreement, negotiated by the Pharmacy Guild.

ScriptMAP 2020, launched in March 2017 is the latest version of ScriptMAP, and forecasts the significant impact of PBS changes due to Sixth Community Pharmacy Agreement (6CPA), Medicine Australia reforms and other reforms including Simplified Price Disclosure.

The Pharmacy Guild has identified the value of ScriptMAP in influencing business decisions and thus added the tool into the 2018/2019 membership offering. In combination with the Opportunity Analysis (also part of 2018/2019 membership) you will have the ability to identify your areas of growth and opportunity to continue the viability of your pharmacy business.

HOW ScriptMAP 2020 WORKS

ScriptMAP 2020 is based on the advanced econometric model and industry insights developed by the Pharmacy Guild to negotiate the 6CPA. The system starts with an extract sent from the pharmacy’s dispensing software providing the last year of dispensing data on a transactional level. This is then complemented with the owner’s specified assumptions of the business environment, including future volume growth and substitution rates, so as to identify the local applicable trends. These two inputs are combined in the online analysis portal with the forecasting model to derive this report and analysis.

The PBS is a regulate system, with formalised pricing, categorical transitions, and relates to a market with established long-term demographic drivers. This creates an environment that, while complex, is well suited to accurate forecasts of macro outputs.

In the forecasting model, each individual PBS code is estimated iteratively based on knowledge of its patent status, timing of price variations, the historical trends of associated drug classes, and the structures of the 6CPA. These forecasts are applied to the unique dispensing mix and assumptions of the pharmacy so as to estimate the PBS revenue and margin in future years. Aggregating across all PBS items, the difference between these future years and current financial year is then calculated to show the net change in remuneration.
Based on your own unique dispensing mix and best available industry information, this report provides the clearest available picture of the impact of the changes that will occur to PBS pricing and pharmacy remuneration over the Agreement period.

ScriptMAP 2020 also uses the pharmacy’s dispensing data to identify prevalent disease states in the demographic using the Anatomical Therapeutic Chemical (ATC) Classification System. Pharmacies can use this information to formulate and target health services relevant to their patients and the community.

**WHAT ScriptMAP2020 TAKES INTO ACCOUNT**

+ Pharmacy remuneration as set down in the 6CPA, including applicable indexation of fees.
+ All applied and announced price reductions due to ‘Simplified Price Disclosure’ and other reasons including 16% statutory price reduction policy (upon the entry of the first new brand of a drug)
+ Medicine Australia reforms
+ 32 cent per prescription increase in the AHI from 1 July 2017 - equalling $200 million to compensate the lower prescription volumes
+ Patent expiries throughout the five years, and subsequent generic competition
+ Known and predicted behaviour of wholesalers and generic drug suppliers over the period.
+ Annual indexation of PBS co-payments, which impacts on which drugs fall below the co-payment level
  + Generic and wholesaler trading terms.

**LIMITATIONS OF ScriptMAP 2020**

Some of the considerations for ScriptMAP are known and predictable but others rely on factors that are subject to change (e.g. patent expiry changes due to legal challenges) or uncertainty of market conditions (eg. specific price reductions flowing from price disclosure).

This report should not be taken as a complete forecast, due to the limitations set out below:

+ the modelling cannot consider unstated variation factors specific to your pharmacy, such as local competition or demographics
+ private prescriptions and front-of-store sales are not included in the analysis
+ other non-prescription income, such as that derived from professional services and through the Pharmacy Practice Incentives, are not included in the gross profit impact analysis. The Opportunity Analysis (OA) tool can be used to identify your current offering of professional services as well as future opportunities. The OA is part of the 2018/2019 Guild membership; for more information contact your state branch.
+ While the modelling includes some assumptions about future new PBS listings, these have limitations and do not provide specific advice detailed to all individual drugs.
ABOUT THIS GUIDE

This user guide has been developed to provide a basic operational understanding of the ScriptMAP 2020 tool and assist in interpreting the report generated as well as explaining customisation options that are available.

STEP ONE: SENDING DATA FROM YOUR DISPENSE SYSTEM

ScriptMAP 2020 reports require information to be imported directly from your pharmacy's dispense system. Whilst the data required is the same for each dispense system, the method of importing the data differs between the dispense systems. The first important step is to check and update your PBS approval number on the MyGuild webpage, as the ScriptMAP system recognises your dispensing data based on the PBS approval number.

ScriptMAP 2020 will currently integrate with FRED, RxOne, LOTS, MINFOS, Z Software and Aquarius dispense systems and you will need to follow the instructions outlined below, depending on which of these systems is used in your pharmacy.

Following these steps the dispense systems will generate and send twelve months of data to myGuild. ScriptMAP 2020 has the capability to then populate the data backwards and forecast for future years so that the results can be presented in financial years in the report.
1. From the Activities menu, select *ScriptMAP Generation*.

2. This can be either by:
   a. using your mouse; or
   b. by pressing [Alt+A] and then using your arrow to highlight *ScriptMAP Generation*.

3. Enter your phone number and email address, and set the *Months to Generate* to 12 and then click *Generate & Send*. 
SENDING DATA FROM RxOne DISPENSE SYSTEM

1. From the RxOne Start Menu, select *Reports*—*ScriptMap Report*

2. Tick the *Send Data from Last 12 months* and click on *OK*
1. From the **LOTS menu**, click **Tools>Utilities>Script Utilities>Guild ScriptMAP**

This can also be accessed **from the dispense menu** by selecting **Utilities>Guild ScriptMAP**
2. Select the month and year, enter your email address, ensure Upload export file is ticked and then click Start Export.

3. Once the export is complete, the following prompt will be displayed:
1. In Minfos Launch Pad, select **Dispense** under **Dispense Menu**. This will launch the Dispense module.

2. Select **Reports>2.Script>7.ScriptMAP** to open ScriptMAP dialog.

3. Click **Okay**

---

**Guild ScriptMAP (Modeling & Analysis for Pharmacies)**

ScriptMAP provides Guild members with information on the PBS reforms and a customised analysis of the reforms’ impact on your pharmacy.

Click Okay to submit to ScriptMAP your dispense data for the last 12 months. You can order the ScriptMAP report from the Guild website.

- **Starting Date**: 01/01/2016
- **Ending Date**: 31/12/2016

[Okay] [Cancel]
**NOTE: The first 4 steps must be completed at all dispensary workstations to retrieve complete dispensing data.**

1. In Z software dispense platform select **Workstation**
2. Go to the **Other** tab
3. select **Enable ScriptMAP 2020**
4. **Save** these changes

**NOTE: The first 4 steps must be completed at all dispensary workstations to retrieve complete dispensing data.**
SENDING DATA FROM AQUARIUS DISPENSE SYSTEM

1. Go to the main dispense screen and go to -> Reports -> Special Reports -> E ScriptMAP

2. Enter the user email id and click ok to submit dispense data for last 12months

Note: ScriptMAP requires twelve months of data to generate meaningful results. The Aquarius system by default selects 12 months of data from the latest month, although a differing period can be selected.
STEP TWO: ENTERING ASSUMPTIONS AND PURCHASING YOUR SUBSCRIPTION

ENTERING ASSUMPTIONS

Once you have sent through twelve months of data from your dispense system, the next step is to enter the assumptions specific to your pharmacy and purchase your subscription in order to generate the report.

As part of membership, Guild members have an annual 12 month subscription to ScriptMAP 2020. Please contact your state branch to retrieve a discount code to bypass the payment portal. Non-members are also able to purchase a 1 month subscription for a cost of $599.00 inc. GST.

To purchase your ScriptMAP 2020 subscription and generate your report, you will need to do the following:

2. Click on the yellow ACCESS ScriptMAP 2020 button
3. Enter your myGuild username and password and click on the SIGN IN button. If you are not sure of your myGuild username or have not yet registered for one, contact your state Guild branch for assistance. If you have forgotten your password, you will be prompted to reset it.

Note: If you are not currently a Guild member, you will need to contact the Guild branch in your state to obtain a non-member username to use to access the tool.
You will now have a list of all the pharmacies linked to your myGuild username. To enter assumptions, follow the steps below:

1. Click on the yellow START REPORT button for any of the pharmacies that have a current subscription and an uploaded dispensing file.

Note:

If no dispensing file has been uploaded the following scenarios may have occurred:

i. You have not completed the file upload from your dispensing system. Please refer to instructions on page 4.

ii. An incorrect approval number has been allocated to your myGuild account. You will need to correct this by clicking on the MY GUILD link and then update from the MY PHARMACY DETAILS menu located at the bottom right hand side of the page (as below). You will then need to resend the file from your dispensing system.

iii. Your dispensing file was uploaded more than three months earlier. In this case, you will need to resend the file from your dispensing system.

If you have tried these solutions and a dispensing file still does not appear when you login with your myGuild username and password, please contact your Guild State Branch for assistance.
2. Tick the **I understand and agree to the disclaimer and policy** box and then click on the yellow **CONFIRM AND CONTINUE** button.

3. Enter your assumptions for your pharmacy and click on the yellow **SUBMIT** button. If you required, you can obtain industry guidance from the tool by clicking on the ⚪️ icon next to each assumption. It is important to note that this is guidance only and the assumptions that you enter will need to reflect your individual pharmacy.

---

**Assumptions**

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Current</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Script volume growth rate</td>
<td>-</td>
<td>2%</td>
</tr>
<tr>
<td>Estimated annual growth for PBS prescription volume over 5 CPA period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substitution rate</td>
<td>73.1%</td>
<td>85%</td>
</tr>
<tr>
<td>Generic substitution rate for PBS prescription</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale trading terms</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Percentage provided to patients on under co-payment scripts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average % provided to patients on under co-payment scripts</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>% of under co-payment scripts for which the 10% discount is provided to patients</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>% of under co-payment scripts for which you charged the allowable fees</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of applicable under co-payment PBS prescriptions where the additional allowable fees are charged</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Script volume growth rate: is your estimated annual volume growth rate for PBS prescription over the 6CPA period. You can use the arrows that appear when you click in the white box to adjust up or down. This will allow you to enter a positive or negative percentage growth rate. In this example, the pharmacy is expecting a 2% script volume growth each year as their local surgery has expanded and will be employing extra full-time doctors over the next few years.

Substitution rate: your current generic substitution rate will be listed. You are able to copy and paste that number into the white box and then use the arrows to adjust it up or down, depending on what you are expecting to happen in your pharmacy over the 6CPA period. This pharmacy’s current substitution rate is 73.16% and they are expecting a future rate of 85%.

Wholesaler trading terms: refers to the discounts provided to your pharmacy as a proportion of the price of the medicine and is generally between 0% and 7%. You will need to enter your current trading terms in the first box. Most pharmacies would be expecting that their trading terms will be reduced over the 6CPA period and you will need to enter a value in the second white box according to what is expected for your pharmacy. This pharmacy currently has 5% wholesaler trading terms and anticipates that it will be reduced to 3% over the 6CPA period.

Average % discount provided to patients on under co-payment scripts: refers to the average percentage discount that you apply to under co-payment scripts. If you only discount certain drugs and/or offer discounts to certain customers, you will need to calculate this figure accordingly. You will need to enter the current average % discount that you provide in your pharmacy, as well as what you intend to provide over the remaining 6CPA period. This pharmacy currently applies a 10% discount and is planning on maintaining that over the remaining 6CPA period.

% of above co-payment scripts for which the $1 discount is provided to patients: refers to the percentage of subsidised PBS prescriptions for which you provide the $1 discount to the co-payment. You will need to enter your pharmacies current percentage and adjust the figure entered into the second box up or down to reflect what you intend to provide over the remaining 6CPA period. This pharmacy currently provides the $1 co-payment discount for 10% of subsidised PBS prescriptions and will increase it to 15%.

% of under co-payment scripts for which you charged the allowable fees: refers to the percentage of applicable under co-payment prescriptions that you currently charge the additional allowable fees. If your pharmacy does not charge any allowable fees, you will need to set your current figure to 0%, whereas if you charge the allowable fees for all the applicable prescriptions that you dispense, the current figure would be 100%. If you chose to charge less than the full amount of the applicable fee, your calculations will need to reflect that. For example, if you charge only 50% of the allowable fees to all applicable prescriptions, your current figure would be 50% and if you charge only 50% of the allowable fees to half of all applicable prescriptions, your current figure would be calculated to be 25%. You will need to enter your current figure, as well as the figure you will apply to remaining 6CPA period. This pharmacy currently charges all of the allowable fees and this will remain the same in the future. This pharmacy charges all of the allowable fees on every under co-payment script and plans on doing the same over the whole 6CPA period.
4. Select the subscription that you would like to purchase and click on the yellow **BUY NOW** button.

Members: Select the 12 month subscription option to redeem your member only ScriptMAP using the provided discount code. If you do not have your Guild member only discount code, contact your state branch for assistance.

Non-Members: Non-members can select 1 month subscription for a cost of $599 inc. GST.

5. Enter your discount code or credit card details and then click on the yellow **CONFIRM PAYMENT** button.
6. To download and print a tax receipt, click on the grey **DOWNLOAD RECEIPT** button and then click on the yellow **NEXT** button.
STEP THREE: DOWNLOADING AND INTERPRETING YOUR ScriptMAP2020 REPORT

DOWNLOADING YOUR ScriptMAP2020 REPORT

Once you have submitted all of the assumptions for your pharmacy and paid for your subscription, a Modelling & Analysis preview of your report will appear. This preview will show you the Change in Estimated Gross Profit for the 2016-17, 2017-18, 2018-19 and 2019-20 financial years based on the data that has been supplied from your dispense system and the assumptions that you have entered. Each column financial year is compared to the 2015/2016 financial year.

This pharmacy’s preview shows that the gross profit of 2016-17 is estimated to be approximately $18,000 less than 2015-16, whilst in 2019-20 the gross profit is expected to be approximately $3,000 more than 2015-2016.

You are able to click on the yellow DOWNLOAD FULL REPORT button to download a PDF of your ScriptMAP 2020 report that you can then either save or print. You are also able to click on the grey BACK TO CHANGE ASSUMPTIONS button if you would like to change any of the assumptions that you have entered and download another report.
After you have downloaded your ScriptMAP 2020 report, depending on the subscription you have purchased, you will be able to access the report for a period of either one or twelve months from the date that you purchased the subscription.

You may like to save a copy of the report that has been produced using the assumptions entered and then at any time during your subscription period, you can go back into ScriptMAP 2020 and modify any of the assumptions to see what effect this will have on your estimated forecasts.

For example, if you currently do not offer the $1.00 discounted co-payment and are considering doing so, you can change your assumptions to reflect that and see what effect it will have on your estimated gross profit and use this information to make an informed decision whether to do so.
Your ScriptMAP 2020 report will contain a customised analysis of the estimated impact of PBS reforms on your pharmacy based on the assumptions that you have previously entered. The report forecasts the significant impact of PBS changes due to the Sixth Community Pharmacy Agreement and other reforms including accelerated price disclosure.

Disclaimer

This report does not represent an official statement on the PBS reforms or the 6CPA. This report should not be used as a substitute for financial advice. Although all care is taken to ensure that the information is correct at the time of publication, changes may occur over time and individual circumstances will vary. You should consider your own unique circumstances and, where necessary, seek financial advice in relation to any action taken.
Individual Submitted Assumptions

<table>
<thead>
<tr>
<th>PHARMACY ASSUMPTION</th>
<th>Current</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>The current and future assumption provided by you</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Script volume growth rate</td>
<td>73.16%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Substitution rate</td>
<td>85.00%</td>
<td></td>
</tr>
<tr>
<td>Wholesaler trading terms</td>
<td>3.00%</td>
<td></td>
</tr>
<tr>
<td>Average % discount provided to patients on under co-payment scripts</td>
<td>10.00%</td>
<td>15.00%</td>
</tr>
<tr>
<td>% of above co-payment scripts for which the $1 discount is provided to patients</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>% of under co-payment scripts for which you charged the allowable fees</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The table above reflects the final business assumptions provided by you, and should reflect your current business environment and financial advice.

This first table in the report gives a summary of your current and future assumptions that you entered prior to generating the ScriptMAP 2020 report.

ScriptMAP 2020 Summary Results

Predicted variation in PBS Gross Profit to 2020

This chart provides an estimate of change in the future gross profit as compared to the base year of (2015-16) Sixth Community Pharmacy Agreement.

This chart shows your pharmacy’s estimated gross profit change from PBS and RPBS dispensing each financial year from 2016-17 to 2019-20 relative to 2015-16.

As you can see in this example, it is estimated that the gross profit from PBS and RPBS dispensing in this pharmacy is estimated to be approximately $17,000 lower in the 2016-17 financial year compared to the 2015-16 financial year whereas it is estimated to be over $3,000 higher in the 2019-20 financial year compared to the 2015-16 financial year.
Impact of 6th Community Pharmacy Gross Profit, by components

Impact of 6th Community Pharmacy Agreement Gross Profit, by components

<table>
<thead>
<tr>
<th>Components</th>
<th>2016-17 compared with 2015-16</th>
<th>2017-18 compared with 2015-16</th>
<th>2018-19 compared with 2015-16</th>
<th>2019-20 compared with 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dispensing Fee</td>
<td>$11,055.76</td>
<td>$30,767.21</td>
<td>$53,794.50</td>
<td>$79,091.52</td>
</tr>
<tr>
<td>Mark-up/AHI</td>
<td>$3,884.10</td>
<td>$10,864.85</td>
<td>$20,502.40</td>
<td>$29,061.50</td>
</tr>
<tr>
<td>Dangerous Drug</td>
<td>$559.56</td>
<td>$867.51</td>
<td>$1,274.79</td>
<td>$1,674.02</td>
</tr>
<tr>
<td>Premium Free Dispensing Incentive</td>
<td>$3,279.13</td>
<td>$9,020.21</td>
<td>$12,392.78</td>
<td>$14,979.77</td>
</tr>
<tr>
<td>Additional allowable (Under co-payment)</td>
<td>$4,950.25</td>
<td>$8,580.98</td>
<td>$12,674.32</td>
<td>$16,523.90</td>
</tr>
<tr>
<td>Discounts (Under co-payment)</td>
<td>-$148.48</td>
<td>$860.01</td>
<td>$1,353.87</td>
<td>$768.73</td>
</tr>
<tr>
<td>$1 Discount</td>
<td>-$1,228.58</td>
<td>-$2,974.28</td>
<td>-$3,112.11</td>
<td>-$3,270.19</td>
</tr>
<tr>
<td>Wholesaler Trading Terms</td>
<td>-$24,905.86</td>
<td>-$51,546.49</td>
<td>-$57,061.74</td>
<td>-$61,579.65</td>
</tr>
<tr>
<td>Generic Trading Terms</td>
<td>-$11,960.09</td>
<td>-$16,881.17</td>
<td>-$36,876.54</td>
<td>-$59,279.61</td>
</tr>
<tr>
<td><strong>Change in Estimated Gross Profit</strong></td>
<td><strong>-$17,793.35</strong></td>
<td><strong>-$19,416.38</strong></td>
<td><strong>-$7,450.51</strong></td>
<td><strong>$3,010.23</strong></td>
</tr>
</tbody>
</table>

Based on the volume growth and other business assumptions submitted, the gross profit will be higher in 2019-20 as compared to 2015-16.

The estimated impact of the Sixth Community Pharmacy Agreement on the gross profit of the pharmacy is further broken down in this table, looking at the impact of all the relevant components and outcomes of official remuneration from the 6CPA, trading profits and discounts offered for each financial year compared with the 2015-16 financial year. In this example, you can see that the dispensing fee, Mark-up/AHI, Premium free dispensing incentive, Dangerous Drug fee and additional allowable fees are expected to rise over the remaining 6CPA period. This table also shows the impact that increasing the amount of discounts that the pharmacy offers and the reduction in trading terms is estimated to have on the gross profit of the pharmacy.

The information provided in this summary table is important to consider when creating a business plan in order to ensure that you are at least maintaining (if not increasing) your pharmacy’s net profit in the coming years. In this example, as there is an estimated reduction in gross profit from PBS and RPBS dispensing for the 2016-17, 2017-18 and 2018-19 financial years, measures would need to be taken so that net profit is maintained so that the owner(s) are able to meet fixed commitments such as loan repayments and rent. It would be prudent for the pharmacy owner(s) to focus on increasing income derived from areas outside of PBS and RPBS dispensing such as 6CPA and third party funded programs and professional services where a fee for service is paid by the consumer.

The Pharmacy Guild of Australia has developed a suite of diagnostic tools and support programs to assist pharmacies in providing professional services that protect, complement and add value to an integrated health solution. More information is available at www.guild.org.au/transformation.
### Recommended Action Points

<table>
<thead>
<tr>
<th>Category</th>
<th>Analysis</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume Growth</td>
<td>The average $6.96 per customer in your pharmacy is $117.35 in 2016-19. You can increase your pharmacy’s gross profit by $51,766.63 in 2016-17 by adding new customer base by 5%.</td>
<td>Focus on increasing your patient’s medication compliance through use of Medisync and GuildLink software. This has clear patient benefits as well as increasing your dispensing volumes. Improving end to end consumer experience would result in high referral rates from existing customers. This could be extremely beneficial in tapping</td>
</tr>
<tr>
<td>Substitution Rate</td>
<td>Did you know that you can increase your pharmacy’s gross profit by $9,786.92 in 2016-17 by increasing your generic substitution rate by 5%?</td>
<td>Increase your substitution rates, to improve your total trading terms and maximise the Premium Free Dispensing incentive. Be aware of deals being offered for new generics in the first month after listing, which is excluded from Price Disclosure calculations to allow new market entrants an opportunity to establish their brand.</td>
</tr>
<tr>
<td>Effective Stock</td>
<td>Did you know that 24.89% of your pharmacy’s gross profit is derived from your top 10 drugs? On an average your pharmacy purchases 1.8 no of brands per off patient PBS drug.</td>
<td>You can increase your pharmacy’s profit with effective stock management and purchasing bulk orders</td>
</tr>
<tr>
<td>Management</td>
<td>Did you know that discounts provided by your pharmacy are equivalent to the gross profit of 3.22% more scripts.</td>
<td>Design discount schemes effectively to maximise the Gross Profit.</td>
</tr>
<tr>
<td>Discounts</td>
<td>Did you know that allowable fees on average $267,753.76 of $287,753.76 allowable fees.</td>
<td>Consider the Impact on Gross Profit In relation to Script Volume.</td>
</tr>
<tr>
<td>Pharmacy Professional</td>
<td>Did you know that 71.92% of your pharmacy’s gross profit is derived from top 10 ATC Codes?</td>
<td>Based on the top ATC categories you can investigate the opportunity for initiating new pharmacy services for the most prevalent disease state</td>
</tr>
<tr>
<td>Services</td>
<td>The Guild’s Health Advice Plus program is available to assist with this by providing common versus incremental change management support to transition your pharmacy to a professional service model.</td>
<td></td>
</tr>
</tbody>
</table>

This table contains an analysis of your pharmacy in selected categories and also provides information and recommendations based on that analysis to maximise your gross profit over the forecasted period.

Some of the important information derived from this table for this pharmacy includes:

- by attracting 5% extra customers to visit the pharmacy, gross profit would be estimated to increase by over $50,000. This data highlights the importance of customer retention programs and optimising your customer’s experience within the pharmacy and utilising your customers to promote your pharmacy.

- by increasing the pharmacy’s generic substitution rate by 5%, gross profit would be estimated to increase by $9,786.92.

24.89% of the pharmacy’s gross profit from PBS/RPBS dispensing is actually derived from the top ten drugs dispensed. It is important to identify these drugs and ensure that they are being purchased in bulk quantities to ensure that the best purchase price is achieved and stock outages are limited.
Detailed ScriptMAP 2020 Analytics

This section of the ScriptMAP2020 report contains more detailed information for each consecutive financial year compared with the previous financial year.

1. a. Impact of the 6th Agreement and PBS reform on your pharmacy’s gross profit

This chart shows how your pharmacy’s gross profit/script ($) is estimated to change each consecutive year compared with the previous year.

In this example, the pharmacy is estimated to receive approximately $0.36 less gross profit per prescription in the 2016-17 financial year than the 2015-16 financial year and a further $0.26 less in the 2017-18 financial year.
1. b. Change in Gross Profit and other components, year on year

This table is similar to the one discussed earlier but instead compares each consecutive financial year with the previous one.

This example shows the reduction in gross profit in the 2016-17 and 2017-18 financial years followed by an increase in gross profit in the 2018-19 and 2019-20 financial years. As you can see, the gross profit is largely lost due to the reduction in wholesaler and generic trading terms with some effect also from discounting.

2. Gross Profit Ratio (GP/Revenue)

The above graph on the previous page estimates the gross profit ratio for both high-cost and low-cost drugs in your pharmacy. The gross profit percentage is calculated as (gross profit/revenue) x 100 and a high-cost drug is considered to be one with a cost price greater than $2000 ex-GST. The graph illustrates the fact that high-cost drugs have a significantly lower GP% than low-cost drugs. This is something that pharmacy’s need to be aware of as more
high-cost drugs come onto the PBS and RPBS which can significantly inflate your pharmacy’s revenue and impact the overall gross profit of your pharmacy.

3. Generic Substitution Rate

Here your current generic substitution rate is compared to industry average substitution rate benchmark. This “generic substitution rate” is the proportion of prescriptions where a generic version is dispensed, for drugs where at least one generic is listed on the PBS and is flagged as substitutable.

The industry average substitution rate benchmark is derived from previous ScriptMAP data. Identifying how your pharmacy compares with the industry average, will enable you to identify if there may be opportunities to improve your generic substitution rate. Increasing your substitution rate will not only improve your trading terms, it will assist in maximising the Premium Free Dispensing Fee that your pharmacy receives.

In this example, the pharmacy currently has a generic substitution rate of 73.16% which is below the industry average substitution rate benchmark and indicates that there is room for improvement.
4. Generic Substitution Rate by Top 10 Drugs

This table ranks your top ten drugs based on their contribution to overall gross profit and then lists your current generic substitution rate and the industry average. In this example, esomeprazole has the greatest contribution to your total gross profit, yet has quite a low substitution rate. This would make this drug an ideal drug to focus on increasing the rate of substitution as doing so will have a positive impact on gross profit.

The report will also estimate how much your gross profit will increase for each 5% increase in overall substitution rate, by over $9,000 for this pharmacy. You can also see what the impact of changing your substitution rate has on the overall gross profit of your dispensary would be by returning to the page where you initially entered your assumptions, adjusting the substitution growth rates and downloading the report again.

5. Gross Profit, Volume and Unique Customers – Stratified by Top 10 ATC Codes
The next section of the report shows the Top 10 ATC classes dispensed in the pharmacy ranked by their contribution to the over PBS/RPBS gross profit, and also their contribution to the volume of prescriptions dispensed. The percentage of unique customers purchased column displays what percentage of your customers have purchased drugs in that class.

The graphic below shows the gross profit contribution of the top ten ATC codes within the pharmacy.

As the 6CPA has an allocation of up to $600 million in funding for new and expanded community pharmacy programs, the information provided by the above is invaluable. The Anatomical Therapeutic Chemical (ATC) classification system can be beneficial to identify prevalent disease states in your area which will assist you in determining sources of opportunity for developing new services and programs within your pharmacy.

6. Gross Profit, Volume and Unique Customers – Stratified by Top 10 Drug Category

<table>
<thead>
<tr>
<th>Drug Name</th>
<th>% of Volume</th>
<th>% of Total Gross Profit</th>
<th>% of Unique Customers Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>esomeprazole</td>
<td>5.23%</td>
<td>5.94%</td>
<td>12.61%</td>
</tr>
<tr>
<td>rosuvastatin</td>
<td>3.77%</td>
<td>4.25%</td>
<td>6.70%</td>
</tr>
<tr>
<td>atorvastatin</td>
<td>3.33%</td>
<td>2.96%</td>
<td>5.63%</td>
</tr>
<tr>
<td>perindopril</td>
<td>2.23%</td>
<td>1.93%</td>
<td>4.69%</td>
</tr>
<tr>
<td>adalimumab</td>
<td>0.18%</td>
<td>1.86%</td>
<td>0.25%</td>
</tr>
<tr>
<td>perindopril + amiodipine</td>
<td>1.21%</td>
<td>1.68%</td>
<td>2.39%</td>
</tr>
<tr>
<td>pantoprazole</td>
<td>1.96%</td>
<td>1.62%</td>
<td>4.00%</td>
</tr>
<tr>
<td>pregabalin</td>
<td>1.62%</td>
<td>1.69%</td>
<td>4.27%</td>
</tr>
<tr>
<td>amoxycillin</td>
<td>1.81%</td>
<td>1.55%</td>
<td>15.72%</td>
</tr>
<tr>
<td>paracetamol + codeine</td>
<td>1.91%</td>
<td>1.51%</td>
<td>9.53%</td>
</tr>
<tr>
<td>Others</td>
<td>76.55%</td>
<td>75.11%</td>
<td></td>
</tr>
</tbody>
</table>

*The drug ranking shown above is based on total gross profit generated by each drug as demonstrated in the data submitted by your pharmacy.*

This table ranks the top 10 drugs dispensed in the pharmacy based on their contribution to PBS/RPBS gross profit and also shows the percentage of unique customers presenting PBS/RPBS prescriptions for those drugs and also their contribution to the volume of prescriptions dispensed.
It is important to have policies and procedures in place to ensure that the pharmacy is never out of stock of these drugs and that your pharmacy is purchasing them at the best price possible by taking advantage of bulk order deals.

If future price reductions are to occur for these drugs, it is advisable to actively manage purchasing beforehand to ensure that there is minimal stock on hand on the date of reduction so that the impact on gross profit will be minimised.

The above graphic represents the contribution to PBS/RPBS gross profit for these top ten drugs and show the value of the contribution. The report will also explain how much gross profit would increase if a 10% volume growth of these top ten drugs was to occur (over $25,000 in this example). Volume growth could be achieved by focusing on increasing customer awareness of medication compliance programs such as MedsIndex, prescription reminder services offered by GuildLink software and third party compliance programs.

7. Discounting

This table shows the total discounts that you will offer (based on the assumptions and data that you have previously provided) for each financial year. The blue section shows the discount due to offering the $1 discount, whilst the grey section is due to all other discounts offered. You can see in this example, the pharmacy the pharmacy provided a total of $28,609.67 in the 2015-16 financial year. The report also explains that in order to offset the amount of discounts being offered, the pharmacy would need to generate over 2400 more prescriptions for 2016-17. If you would like to see what impact offering different levels of discounts would have on your gross profit, it is possible to go back and adjust the assumptions previously entered.
The last section of the report provides invaluable information as it gives you the breakdown in % gross profit generated by your Top 20, Top 50 and Top 100 customers.

This table illustrates that the top 20 customers in this pharmacy generate over 5% of the pharmacy’s gross profit whilst the top 100 are responsible for over 16% of the gross profit. This reinforces the importance of using your dispensing program to identify these customers and ensuring that you are always aware of who they are. This will allow you to engage with them to ensure that they remain loyal to the pharmacy and are aware of all of the services offered by the pharmacy. Little actions, such as welcoming them by name and asking after family members or pets will go a long way to ensure they realise their value to your pharmacy.

It is also important to remember that this list of customers will change over time as customers pass away, move into and out of the area or experience a need for more or less medication. Thus it is good practice to run a regular report from your dispensing software so that you are working with an up to date list of customers.

<table>
<thead>
<tr>
<th>Top Customers</th>
<th>% Gross Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 20 Customers</td>
<td>5.29%</td>
</tr>
<tr>
<td>Top 50 Customers</td>
<td>10.24%</td>
</tr>
<tr>
<td>Top 100 Customers</td>
<td>16.87%</td>
</tr>
</tbody>
</table>

71.32% of your customers have repeat visits to your pharmacy, of these customers on average they receive 10.8 scripts per year.
Privacy Note

The Pharmacy Guild of Australia (Guild) takes the protection of your pharmacy data very seriously and will adhere strictly to the relevant applicable legal regulations and the Australian Privacy Principles as set out in the Privacy Act 1988. The Guild endeavours to represent best practice for the handling of data in the pharmacy industry. To this end the Guild is committed to the transparent management of data that maintains the confidentiality of information submitted in a manner that upholds security and quality of information.

Data submitted to ScriptMAP is provided on a voluntary basis and this can be revoked at any time by notifying the Guild at guild.nat@guild.org.au.

All data submitted is stored on the Guild’s dedicated secure server. Access to this server is restricted to authorised staff of the Guild National Secretariat. This server is located in Australia and no data is processed offshore.

At no time will personally identifiable private data pertaining to pharmacy consumers and patients be collected. All transactional records are analysed as de-identified data.

Data submitted to ScriptMAP will be de-identified data and applied to the following usage:

• Generation of internal variables for the ScriptMAP tool
• Research regarding the pharmacy industry, including the viability of pharmacy, provision of health treatments, industry profile variance and volume tracking
• Identification of health metrics in the Australian community at an aggregated level
• De-identified data analysis and Intelligence for pharmacy transformation initiatives
• Creation of commercial products, in isolation or in combination with linked resources
• Integration into Guild forecasting models, negotiations and other advocacy purposes

Your data will be kept in the system for a period of 10 years after your most recent data transfer. After 10 years, the data will be automatically deleted from the system.

Neither the Guild nor any of our third-party service providers accepts any liability as a result of transmission of sensitive data (including any errors, delays or failure in transmission) via the Internet. If you have any questions or comments about this statement or data privacy in general, please contact us any time.

Disclaimer:

The ScriptMAP2020 report does not represent an official statement on the PBS reforms or the Sixth Community Pharmacy Agreement. The report should not be used as a substitute for financial advice. Although all care is taken to ensure that the information is correct at the time of publication, changes may occur over time and individual circumstances will vary. You should consider your own unique circumstances and, where necessary, seek financial advice in relation to any action taken.