

## **Letter of Objection from the Pharmacy Guild of Australia to HIC**

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### **The PHARMACY GUILD of AUSTRALIA**

#### **NATIONAL SECRETARIAT**

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21 May 2001

Ms Ellen Dunne  
General Manager of the Program Management Division  
Health Insurance Commission  
PO Box 1001  
Tuggeranong ACT 2901

Dear Ms Dunne

I write to you regarding the recent application by the Tiwi Islands Health Board to obtain an .NHS approval number to operate a pharmacy on the Tiwi Islands.

I understand that the application conforms with the ACPA criteria for rural new approvals and has therefore been recommended by the ACPA for the granting of an NHS approval number. However, in making this recommendation, I also understand that the ACPA registered some concern with regard to certain aspects of the application.

On behalf of The Pharmacy Guild of Australia, I would also like to state some concerns about this particular application. These are as follows.

The application for an NHS approval number on the Tiwi Islands is made by a Health Board and not by a pharmacist. Section 90 (1) of the National Health Act states that "... the Secretary may, upon application by a pharmacist who is willing to supply pharmaceutical benefits on demand at particular premises, approve that pharmacist for the purpose of supplying pharmaceutical benefits at or from those premises."

It is our understanding that the only pharmacist associated with the application is Rollo Manning who works as a consultant to the Tiwi Health Board. However, I do not believe it is anticipated that Mr Manning is to be the pharmacist employed to provide these services on the Islands.

The Commonwealth is responsible for the Pharmaceutical Benefits Scheme which is administered through NHS approved pharmacies. The Commonwealth's position on pharmacist ownership of pharmacies is set down clearly in the Department of Health's submission to the Wilkinson Review where it is stated in paragraph 166 that "... the Commonwealth is committed to the retention of arrangements whereby the ownership and control of pharmacies is restricted to pharmacists."

This position has been supported by both the Prime Minister and the Minister for Health:

- The Prime Minister in a letter of 14 September 1998 stated " would like to re-affirm the commitment I gave in 1996, and repeated since, that the Coalition Government will work to maintain ownership and control of pharmacies by pharmacists";
- The Minister for Health in a letter of 17 September 1998 stated that "... I can assure you that the Government will put forward strongly its views on the tradition of pharmacies owned and operated by pharmacists as being very much in the community interest."

These statements demonstrate that the granting of an NHS approval number to a non-pharmacist is contrary to the Commonwealth Government's stated policy. Furthermore, the granting of an NHS Approval Number to the Tiwi Islands Health Board would set a precedent for other non-pharmacist organisations to lodge similar applications which would further undermine Commonwealth Government policy on this issue.

Under the Tiwi Islands Health Board proposal it is not proposed that a new pharmacy be established on the Islands operated by a pharmacist for five days of the week. Rather, it is proposed that a pharmacist will work out of existing clinics on the Islands for three days a week and operate out of the office of the Tiwi Islands Health Board in Darwin two days a week. It is understood that these two days will be used in dispensing Section 100 pharmaceuticals and packaging these and other pharmaceuticals in blister packaging such as Websterpaks for use by the Tiwi Islands community.

Given the acute shortage of pharmacists in the Northern Territory, which is demonstrated by the ongoing problem which community pharmacies and public hospital pharmacies have in finding pharmacists to work as staff or as locums, the Guild would be concerned from a public access point of view about the long-term susceptibility of the proposed Tiwi Islands arrangement. We are perplexed as to why there was no attempt to seek the assistance of local community pharmacies in Darwin to provide these dispensing and packaging services. Having spoken to pharmacists who own pharmacies in Darwin, I am aware that they would be keen to provide this assistance and to work with the Tiwi Islands Health Board in improving pharmacy services on the Tiwi Islands.

I would expect that it would be far more economical to purchase these services from existing pharmacies as they already have in place an infrastructure in regard to personnel, equipment and business premises. It would also be a more sustainable arrangement, both financially and from a workforce perspective, which would better guarantee continued access to pharmacy products and services for the Tiwi Islands.

I do not believe the application addressed the issue of having to find a pharmacist who would be willing to take up permanent employment to provide pharmacy services to the Tiwi Islands on behalf of the Board. In terms of ensuring the sustainability of the proposal to provide the Tiwi Islands with ongoing access to pharmacy services and pharmaceutical products, I would have thought it important for the Health Board to have established the commitment of such a person before lodging its application.

It is my understanding that if the Board is granted an NHS approval number, it expects to receive the rural start-up allowance for new NHS-approved pharmacies and that these funds would enable a pharmacist to be employed. However, under the criteria for the rural start-up allowance, there would be some doubt as to whether the Tiwi Islands Health Board proposal

would be eligible. Rules for the start-up allowance require the pharmacy to be open for a minimum of 20 hours over 4 days per week for 48 weeks of the year.

The Guild appreciates the Tiwi Islands Health Board's concern about the inadequacy of current pharmacy services provided on the Islands. We would very much like to assist in improving these services to enable a pharmacist to spend more time working from the clinics located on the Islands dispensing medications, providing advice and counselling on medication issues and training aboriginal health workers to assist in the provision of these services.

Through the Guild/Government Agreement there is funding to allow for the placement of a pharmacist in remote areas such as the Tiwi Islands if they operate under Section 100 arrangements. I understand that this funding would allow for a pharmacist to visit the Islands on a part-time basis. The part-time arrangement could of course be augmented by savings generated by the Tiwi Islands through the Section 100 arrangements which may make it feasible for a pharmacist to be employed permanently on the Islands.

Given this, I don't understand why there is a need for an NHS approval number to be granted to achieve these outcomes. The Guild believes that the existing arrangements for the supply of medicines to aboriginal communities under Section 100 are working well although they could be improved by providing funding for a pharmacist to spend more time in aboriginal communities providing face-to-face ongoing pharmacy services.

In discussions both with the Northern Territory Minister for Health and with the Tiwi Islands Health Board, the National President of the Guild and other official Guild representatives pledged the Guild's absolute support to work actively with aboriginal communities including Tiwi to develop new and innovative models to improve the provision of pharmacy services.

The Guild will be opening a Northern Territory Branch within the next few weeks and will have personnel in Darwin to assist in this process.

We are keen to see an improvement in the access which aboriginal communities have to pharmacy services provided, but do not believe the granting of an NHS approval number in response to the current application from the Tiwi Islands Health Board is a practical or sustainable way of achieving this outcome. Furthermore it sets a precedent for other non-pharmacist owned organisations to lodge similar applications.

Yours sincerely

Stephen Greenwood  
Executive Director