



Dispensing medicines under the Seventh Community Pharmacy Agreement

What is the Seventh Community Pharmacy Agreement?

The Seventh Community Pharmacy Agreement (7CPA) is an agreement between the Commonwealth of Australia, the Pharmacy Guild of Australia and the Pharmaceutical Society of Australia. It supports consumer access to Pharmaceutical Benefits Scheme (PBS) subsidised medicines through community pharmacies across Australia.

The 7CPA has an overall funding envelope of \$18.35 billion, comprising:

- \$16.00 billion in pharmacy remuneration for dispensing PBS subsidised medicines
- \$1.20 billion for professional pharmacy programs
- \$1.15 billion for the Community Service Obligation and National Diabetes Services Scheme product distribution arrangements

It ensures all Australians will continue to have access to timely, safe, affordable and life-saving medicines.

It supports community pharmacy services to help achieve the best health outcomes for everyone.

Supported by this agreement, Australians are expected to access more than 200 million subsidised pharmaceutical prescriptions each year. From 1 January to 31 December 2020, Australians will pay no more than \$41.00 for general PBS prescriptions and \$6.60 for concessional PBS prescriptions.

The 7CPA starts 1 July 2020 and will be in place until 30 June 2025.

Key changes to dispensing medicines

- From 1 July 2020, the 7CPA will improve and simplify some existing fees to provide greater certainty and predictability for community pharmacy.
- It will be easier for pharmacies to receive payments to dispense medicines subsidised under the PBS and the Repatriation Pharmaceutical Benefits Scheme.
- These changes are necessary and will ensure patients continue to have easy, affordable access to more than 5,200 medicines and other products listed under the PBS.
- Over five years, the average dispensing fee per script is forecast to grow from \$14.88 to \$15.74 to help meet the cost of dispensing subsidised scripts for patients.
- The 7CPA recognises the need to continue to ensure the safe dispensing of schedule 8 drugs and drugs of addiction. This is recognised through an increase to the Dangerous Drug fee paid by the Commonwealth.
- The Administration, Handling and Infrastructure fee will be simplified and increased in the first year.

- Due to the increased uptake of generic medicines in community pharmacy, the Premium Free Dispensing Incentive fee will cease, with associated funding going toward increased remuneration for the dispensing of all medicines, not just those that meet criteria for incentive payments.
- The introduction of a risk sharing arrangement will provide greater certainty for Government, and predictability for community pharmacy.