



Pharmaceutical wholesalers and the Seventh Community Pharmacy Agreement

What is the Seventh Community Pharmacy Agreement?

The Seventh Community Pharmacy Agreement (7CPA) is a five year 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) medicines and related services through community pharmacies across Australia.

The 7CPA provides for 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 for wholesalers

- The Community Service Obligation (CSO) for pharmaceutical wholesalers will continue.
- Agreed reforms to the wholesale mark-up arrangements and increased investment in the CSO Funding Pool address PBS medicines distribution concerns raised by stakeholders in consultations and reviews conducted during the Sixth Community Pharmacy Agreement, and in 7CPA negotiations.
- The tiered wholesale mark-up arrangements will be restructured from 1 January 2021 with the introduction of a wholesale mark-up floor for the supply of low-cost PBS and Repatriation Pharmaceutical Benefits Scheme medicines.
- The 7CPA will also provide investment in the CSO funding pool of up to \$1.083 billion over five years.
- These reforms and investments will ensure that timely, affordable and equitable access to PBS medicines, National Diabetes Services Scheme products, and other targeted health aids

and appliances will continue for patients through their community pharmacy, no matter where they live in Australia.