Pharmaceutical Society of Australia

PSA 2025-2026 FEDERAL BUDGET SUBMISSION

PSA Connecting pharmacists

Pharmaceutical Society of Australia

PSA Committed to better health

31 January 2024

Hon Dr Jim Chalmers MP
Treasurer
PO Box 6022
House of Representatives
Parliament House, Canberra ACT 2601
Email: prebudgetsubs@treasury.gov.au

Dear Treasurer,

The Pharmaceutical Society of Australia (PSA) thanks you for the opportunity to provide a submission through the 2025-26 Federal Budget consultation process.

As medicine safety experts and one of our most accessible frontline health workforces across a range of practice settings, pharmacists can and should play a greater role in improving access to medicines and health care for the Australian population.

As the *Unleashing the Potential of the Health Workforce – Scope of Practice* review made clear, to unlock the full potential of the health workforce and address the ballooning health care needs of the population, significant simplification of funding, regulatory and training structures is needed. In this submission, we make the case for proposals to move forward with this objective.

PSA makes six recommendations in this pre-budget submission for the 2025-26 Federal Budget:

1. **Fund measures designed to enhance the professional practice of pharmacists**

   PSA recommends that all measures committed to by government which are designed to enhance the professional practice education and training of pharmacists be fully funded.

2. **Embed annual indexation, rural loadings and after-hours loadings to payments for pharmacist-led services**

   PSA recommends bringing remuneration structures for pharmacist services into line with similar primary care services to maintain sustainability and improve patient access, particularly in rural, regional and remote Australia.

3. **Align NIPVIP payments for administration of National Immunisation Program (NIP) vaccines to reflect complexity and payments to other immunisers.**

   PSA recommends introduction of a tiered payment model for National Immunisation Program Vaccination in Pharmacy (NIPVIP) program to increase vaccination rates within vulnerable priority population groups.

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4. **Fund integrated pharmacists within Aboriginal and Torres Strait Islander Primary Health Services**

   PSA recommends providing permanent funding for Aboriginal and Torres Strait Islander Primary Health Services to employ pharmacists as part of their primary healthcare teams, as supported by the Medical Services Advisory Committee (MSAC).

5. **Double funding of the Workforce Incentive Payment (WIP) to general practices who employ an on-site pharmacist**

   PSA recommends increasing WIP funding for general practice pharmacists to work with people with chronic and complex health conditions to improve safety and efficacy of medicine use.

6. **Fund pharmacist participation in multidisciplinary case conferences**

   PSA recommends the Australian Government enable pharmacists to claim reimbursement for participating in multidisciplinary case conferences in line with other health professionals and Medicare Taskforce recommendations.

PSA appreciates your consideration of utilising full scope of pharmacist roles to improve quality of care outcomes for Australians.

Sincerely,

A/Prof Fei Sim FPS
National President
Pharmaceutical Society of Australia

About PSA

PSA is the only Australian Government-recognised peak national professional pharmacy organisation representing all of Australia's 39,000 pharmacists working in all sectors and across all locations.

PSA is committed to supporting pharmacists to help Australians access quality, safe, equitable, efficient and effective health care. PSA believes the expertise of pharmacists can be better utilised to address the healthcare needs of all Australians.

PSA works to identify, unlock, and advance opportunities for pharmacists to realise their full potential, to be appropriately recognised and remunerated.

PSA has a strong and engaged membership base that provides high-quality health care and are the custodians for safe and effective medicine use for the Australian community.

PSA leads and supports innovative and evidence-based healthcare service delivery by pharmacists. PSA provides high-quality practitioner development and practice support to pharmacists and is the custodian of the professional practice standards and guidelines to ensure quality and integrity in the practice of pharmacy.

Recommendation 1

Fund measures designed to enhance the professional practice of pharmacists

PSA recommends all measures committed to by government, which are designed to enhance the professional practice, education, and training of pharmacists, be fully funded.

The challenge

PSA is the national peak body for pharmacists in Australia and the custodian of the profession's key standards and practice guidelines. PSA ensures these standards remain relevant and supports pharmacists in achieving the highest level of professional practice. However, critical funding is needed to support PSA's ability to fulfil this critical role, which is essential for pharmacists' delivery of high-quality care across all practice settings.

The proposed approach

PSA proposes that the government fully fund all measures committed to supporting the highest standard of professionalism and enhancing the professional practice of pharmacists, as outlined by PSA. This includes:

- transforming practice standards and guidelines into clearer, more measurable documents that support the safe and quality use of medicines, and
- establishing quality indicators to assess pharmacists' performance.

Why it will work

Investing in the professional practice of pharmacists will:

- **reduce harm from medicines:** minimising medicine errors and adverse drug events through pharmacists adhering to updated, evidence-based guidelines and the introduction of quality indicators.
- **increase quality of medicine use:** driving effective medication management for rational use of medicines, achieving their intended clinical goals.
- **increase transparency and accountability:** improving transparency in pharmacists' performance through demonstrable practice standards and measurable quality indicators, ensuring quality care and value for money.
- **reduce unwanted variation in performance:** setting clearer performance expectations for pharmacists to increase consistency in patient experience.
- **enhance health literacy:** empowering patients with greater knowledge and understanding of their medications, increasing their autonomy and ability to manage their health.

Budget implications

Subject to discussion between PSA and the government. PSA is happy to provide further supporting information if required by treasury.

Benefits for Australians
• Enhance patient safety by reducing medicine errors. • Provide consistent, high-quality pharmacy services nationwide. • Increase transparency and accountability in pharmacist performance. • Strengthened pharmacist workforce, particularly in underserved areas.

Recommendation 2

Embed annual indexation, rural loadings and after-hours loadings to payments for pharmacist-led services

PSA recommends bringing remuneration structures for pharmacist services into line with similar primary care services to maintain sustainability and improve patient access.

The challenge

Current remuneration models for pharmacist-led programs outside the 8CPA does not adequately incentivise service provision at times and locations it is often most needed – after-hours and in regional, rural and remote locations. Similarly, lack of indexation for most programs means their value declines in real terms over time, making them less attractive for providers to offer.

This is out of step with other finding structures for primary care, including MBS items for general practice (after hours loadings, rural loadings) and dispensing fees (CPI built in), and COVID-19 vaccination programs (rural loadings) which recognise need for these measures.

The proposed approach

PSA proposes the following measures across all applicable programs to address these inequities and improve access to pharmacy-led services:

- Apply a 25% **after-hours loading** to payments for pharmacist-led programs
- Apply an 11.5% **rural loading** to payments for services delivered in MMM 2-7 locations
- Index all program payments annually at the rate of Consumer Price Index (CPI).

This proposal extends to all payments within the following programs:

- Programs delivered by community pharmacists: Opioid Dependence Therapy, NIPVIP[1] and Take Home Naloxone (THN)
- Programs delivered outside of community pharmacy: Home Medicines Reviews (HMR), Residential Medication Management Reviews (RMMR) and Aged Care On-site Pharmacists (ACOP)

This proposal does not extend to remuneration for Eighth Community Pharmacy Agreement (8CPA) programs, which are negotiated separately between the Commonwealth and the Pharmacy Guild of Australia.

[1] NIPVIP is already subject to annual CPI indexation

Why it will work

Adequate remuneration for pharmacist services is essential both for ongoing viability of these services, as well as increasing participation rates by pharmacists.

- **After hours** loadings are routinely applied in general practice to increase the availability of after-hours primary care. PSA's proposed 25% loading is commensurate with loadings for relevant primary-care MBS items.

- **Rural loadings** are routinely applied in a number of government-funded health initiatives to increase access, both on the Medicare Benefits Schedule and, in relation to community pharmacies, for the COVID-19 Vaccination in Community Pharmacy (CVCP) program. The proposed 11.5% loading is consistent with these programs.

- **Annual CPI adjustment** of clinical services is essential to prevent a decline in service delivery for cognitive services where program rules (including no-copayment requirements) prevent providers from recouping rising costs. Annual CPI adjustment will maintain their real-term value, promoting long-term sustainability of these services

Addressing longstanding funding inequity will increase reach of these programs to Australians, improving access to medicines and treatments, as well as increasing access to programs known to reduce likelihood of medicine related harm.

Budget implications and funding model

The estimated budget of all three measures over 4 years is $121.9 million,[2] made up of:

- After hours loading: $13.3 million
- Rural loading: $36.4 million
- Annual CPI adjustment: $72 million

The budget impact is likely to be lower due to underspends on some programs, particularly ACOP.

Benefits for Australians
• Sustained access to pharmacist-led services essential to safe and effective use of medicines
• Maintained and improved access to pharmacist led services in rural, regional and remote Australia
• Increased vaccination uptake rates in vulnerable priority populations (after-hours access)
• Increased access to after-hours care

[2] Assumptions: 3% annual CPI, 30% Australians live in MMM2-7 locations, base program funding equally distributed across forward estimates, 10% services (5% ODT) delivered after hours, excludes salaried payments (i.e. ACOP)

Recommendation 3

Align NIPVIP payments for administration of NIP vaccines to reflect complexity and payments to other immunisers

PSA recommends introduction of a tiered payment model for NIPVIP to increase vaccination rates within vulnerable priority population groups.

The challenge

Australia's rates of vaccination against preventable diseases such as pertussis, measles and HPV have declined since the COVID-19 pandemic.

While pharmacists now administer over a quarter of all influenza vaccines, the number of other NIP-funded vaccines administered by pharmacists remains low. This is despite the introduction of the NIPVIP program in January 2024. Pharmacists have told PSA this is largely because current level of remuneration available via NIPVIP does not reflect the time and complexity of care needed to engage with at-risk eligible individuals.

The proposed approach

Align NIPVIP vaccine administration payments to complexity of care:

- **Level A: $19.60** – straightforward vaccination event that requires limited management and consultation. This would cover most influenza vaccines.
- **Level B: $42.85** – vaccination event taking 6-20 minutes (including vaccine preparation time, patient consultation and vaccine administration, but excluding observation time). This would apply to more complex interactions such as catch-up vaccination or unusual vaccine schedules
- **Flagfall for vaccines administered in residential and disability care services: $127.30** – additional payment per visit to a residential aged care or disability care service to administer NIP vaccines to residents.

Where a pharmacist spends a defined minimum amount of time (e.g. minimum 10 minutes) discussing vaccine suitability with an individual who is eligible for vaccination but does not immediately proceed to vaccination, access to this fee should be permitted, provided the consultation is documented in the patient record.

Why it will work

A tiered vaccination remuneration structure encourages pharmacists to be more proactive in identifying at-risk individuals eligible for vaccination and reflects the costs associated with increased time needed to work through more complex vaccine encounters.

Anecdotally, PSA understands nearly all vaccination consultations in general practice (excluding COVID-19) are billed against a Level B consultation, reflecting the time and complexity of providing this care.

Payment of flagfall fees for off-site aged care services are well established strategies to increase access to COVID-19 vaccines, and for other services provided by medical professionals.

Budget implications and funding model

PSA estimates this change could see an additional 500,000 vaccine doses administered, at a cost increase of $11.6 million. However, PSA considers it likely the estimated cost increase would be fully offset through reallocation of funds within the current NIPVIP budget due to likely underspend.

Benefits for Australians

- Increased access to vaccination, particularly at convenient locations, after-hours and potentially as a walk-up service
- Increased protection from vaccine-preventable diseases, many of which people never fully recover from
- Increased vaccination rates in priority populations (e.g. CALD communities, older people, adolescents, children etc.)

Recommendation 4

Fund integrated pharmacists within Aboriginal and Torres Strait Islander Primary Health Services

PSA recommends providing permanent funding for Aboriginal and Torres Strait Islander Primary Health Services to employ pharmacists as part of their primary healthcare teams, as supported by MSAC.

The challenge

Aboriginal and Torres Strait Islander people continue to face challenges in equitable access to medicines and quality use of medicines. Reasons include financial and geographic constraints, sub-optimal interactions with clinicians and system barriers related to transfer of patient information between community pharmacists and Aboriginal and Torres Strait Islander Primary Health Services.

While there are programs aimed at addressing barriers to medicines access and quality use of medicines for Aboriginal and Torres Strait Islander people, much more needs to be done to lessen health inequities.

The Strengthening Medicare Taskforce report (December 2022) recommended better funding systems for team-based care models in primary care, and more flexible funding approaches.[3] It also recommended government 'grow and invest in Aboriginal Community Controlled Health Organisations (ACCHOs) to commission primary care services for their communities, building on their expertise and networks in local community need.'[2]

The proposed approach

Fund integrated pharmacists within the primary care team of all eligible Aboriginal and Torres Strait Primary Health Services. The integrated pharmacist primarily provides education and support for medicine use, medicine reviews and clinical governance oversight. They do not dispense medicines.

Consistent with the option preferred by all stakeholders in the MSAC consultation process in 2022,[4] PSA recommends funding is provided to the National Aboriginal Community Controlled Health Organisation (NACCHO) to implement this program. This would include funding for PSA to provide administrative support and delivery of education, training and mentoring for pharmacists and the establishment and operation of a community of practice.

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[3] Department of Health and Aged Care (2022) *Strengthening Medicare Taskforce Report*, available at: https://www.health.gov.au/sites/default/files/2023-02/strengthening-medicare-taskforce-report_0.pdf

[4] *MSAC Public Summary Document*. At: *www.msac.gov.au/internet/msac/publishing.nsf/Content/8FBBD6DC1F003721CA25876D0002CEF5/$File/1678%20Final%20PSD%20(redacted)%20-%20Mar%202023.pdf*

Why it will work

The Integrating Pharmacists within Aboriginal Community Controlled Health Services to improve Chronic Disease Management (IPAC) project was a large multistate project that saw pharmacists embedded on-site within the primary care team of Aboriginal Community Controlled Health Services across Queensland, the Northern Territory and Victoria.

Integrated pharmacists functioned within the existing primary healthcare delivery system and their role included delivering culturally safe preventive care to Aboriginal and Torres Strait Islander peoples, facilitating communication with external healthcare providers, undertaking medication reviews, and providing education and guidance to people with chronic health conditions.

The IPAC project demonstrated investment in integrated pharmacists delivers savings to the health system. In March 2023, MSAC supported an application (based on the evidence gathered under IPAC) for public funding to integrate pharmacists within AHSs[3]. MSAC considered that the estimated cost for providing this integrated, collaborative, culturally appropriate person-centred care to improve health outcomes for Aboriginal and Torres Strait Islander peoples was good value for money.

Budget implications and funding model

The estimated budget impact for the IPAC program (modelled by the Department of Health and Aged Care in 2023) is $61 million over six years, including training and support programs.

Benefits for Australians

Improved health outcomes and overall quality of life for Aboriginal and Torres Strait Islander peoples through:

- more empowered individuals who better understand their condition and their medicines and are more adherent with medicine regimens
- reduced avoidable emergency presentations and hospital admissions from medicine-related adverse events
- better access to medicines through strengthened relationships between ACCHOs and community pharmacies.

Recommendation 5

Double funding of the Workforce Incentive Payment (WIP) to general practices who employ an on-site pharmacist

PSA recommends increasing WIP funding for GP pharmacists to work with people with chronic and complex health conditions to improve safety and efficacy of medicine use.

The challenge

Australia's population is getting older and has increasingly complex health needs, particularly with chronic and complex conditions. GP pharmacists are essential to meeting this need.

While WIP funding is available to fund nurse-practitioners and other allied health professionals (including pharmacists), it is quickly exhausted, with >80% hours funded provided by nurses. This uneven distribution reduces the ability of GP practices to employ other allied health professionals such as pharmacists, who play a key role in managing medication safety.

The proposed approach

Double funding of the WIP (up to $130,000) to allow the practice to employ GP pharmacists to work primarily on-site in general practices with patients and other health professionals to improve safety and efficacy of medicine use. We recommend that a portion of the increased WIP be quarantined to ensure that a practice is able to employ 0.3 full time equivalent (FTE) onsite pharmacists for every 1 FTE GP in the practice.

The measure would initially target uptake of:

- 10% of GP practices in Year 1
- 15% of GP practices in Year 2

This incentive payment is not a salary and does not fully cover the costs of the role. These targets are only achievable if other salary offsets are available for the role, such as the measure described in the case conferencing recommendation (Recommendation 5).

Why it will work

In the UK, GP pharmacists work as part of a multidisciplinary team, alongside other healthcare professionals. They work closely with GPs to resolve medicines issues and enable GPs to focus on diagnosing and treating patients.

In Australia, some General Practices already employ pharmacists. These pharmacists help inform better, more coordinated patient care, particularly with respect to medicine use. This occurs through conducting pre-consultation appointments to gather health information, consulting notes, assessing pathology results and making recommendations to GPs to adjust medicine choice and medicine doses.

Budget implications and funding model

Based on the maximum potential payment, the measure would cost up to:

- Year 1: $49.3 million (10% General Practice)
- Year 2: $74.0 million (15% General Practices)

Benefits for Australians

GP pharmacists in Australia and other countries are recognised for achieving:

- improved patient safety and health outcomes
- reductions in medicine-related hospital admissions
- improved patient health literacy

The proposal also supports:

- reduced GP waiting times and
- additional opportunities for career progression for pharmacists

Recommendation 6

Fund pharmacist participation in multidisciplinary case conferences

PSA recommends the Australian Government immediately enable pharmacists to claim reimbursement for participating in multidisciplinary case conferences.

The challenge

In October 2021, new MBS items became available for eligible allied health practitioners participating in multidisciplinary case conferences. Despite being eligible to participate in case conferences, and specific recommendations of the MBS Review Taskforce, pharmacists are the only allied health practitioners not eligible for remuneration for their participation.

Multidisciplinary case conferences are reserved for patients with complex medical conditions, whose treatment will often involve multiple medicines. Pharmacists are medicine experts and play a critical custodian role in medicine safety. Pharmacist participation in case conferences is crucial to minimise harm caused by medicines and drive better use of medicines – key priorities in Australia's 10th National Health Priority Area (quality use of medicines and medicine safety).

The proposed approach

PSA recommends pharmacists be included in the list of eligible allied health practitioners in legislative instruments under the *Health Insurance Act 1973* who are remunerated for their participation in multidisciplinary case conferences with medical practitioners.

Why it will work

Creating MBS items for all health practitioners to align with the equivalent GP items will foster better collaboration and enhanced safe and quality use of medicine outcomes for patients. It recognises the extensive evidence base which supports case conferencing as necessary for effective, safe, patient-centred team-based care.

Pharmacist participation in case conferences is essential to optimise a person's medicine therapy, including through identification and resolution of medicine safety issues such as drug interactions, overuse of medicines and reducing preventable side effects.

Budget implications and funding model

PSA estimates this proposal will require a budget allocation of $1.52 million per year, or $6.33 million over four years.

This assumes that pharmacists would participate in approximately 40% of case conferences[5] and current MBS payments[6] for allied health practitioner participation in case conferences:

- $47.35 per case conference of 15-20 minutes (MBS Item 10955)
- $81.15 per case conference of 20-40 minutes (MBS Item 10957)
- $135.00 per case conference of >40 minutes (MBS Item 10959)

While this represents an immediate investment, the long-term benefits, including reduced hospital admissions and medication-related harm, would likely result in substantial costs savings across the health system.

Benefits for Australians

- More coordinated health care, reducing medicine safety problems and avoidable hospitalisations.
- Better quality of life for people with chronic health conditions.
- Enhanced patient outcomes through the safe and effective use of medicines in multidisciplinary care.

[5] assuming moderate growth of total case conferences from 2022/23 *https://www.aihw.gov.au/reports/primary-health-care/medicare-subsidised-care-2022-23/data*

[6] assumption annual CPI adjustment of 3.0%