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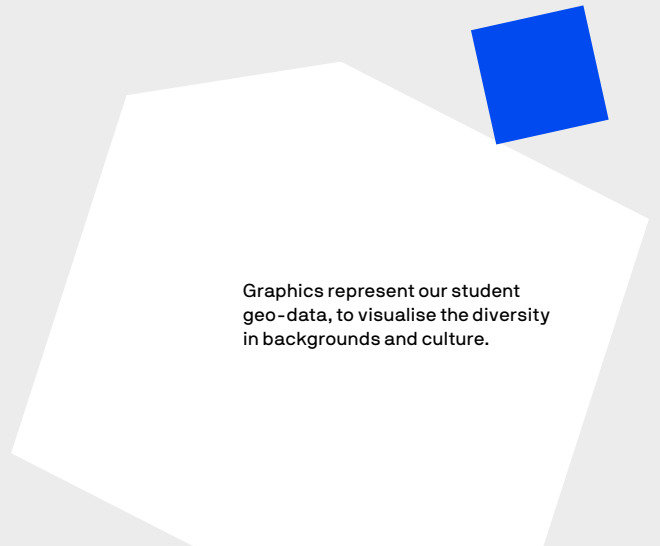
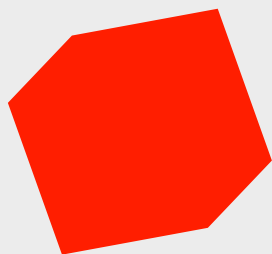


Pharmacy Barometer

November 2017

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Graphics represent our student geo-data, to visualise the diversity in backgrounds and culture.

Background

UTS: Pharmacy

UTS Pharmacy was established in 2011 to address the emerging needs of the pharmacy profession. As the first course area within the UTS Graduate School of Health, it provides innovative, practice-based pharmacy education and high impact research that improves the quality use of medicine. The School is proud to offer an innovative, student-focused approach for highly motivated, career minded students. Over the last few years it has successfully established itself as the program of choice for graduates who wish to have a career as pharmaceutical services providers and managers. UTS: Pharmacy offers 3 Master Coursework degrees two leading to be eligible to register as a pharmacist; Master of Pharmacy and Master of Pharmacy (International) and the Master of Good Manufacturing Practice. The Graduate School is a leader in various areas of research including the design, evaluation and implementation of community pharmacy business and professional practice models. UTS Pharmacy is committed to producing career-ready graduates. Integrated problem-based learning, simulated environments and interdisciplinary workshops are used to help students apply the theory they learn and build their considerable skill set. A wide range of interdisciplinary electives give students the choice to specialise or diversify their skills to best suit their career needs. Committed to collaborative research that has a real impact on the pharmacy profession, our focus is on innovative practice-oriented research that improves the quality use of medicine and informs health policy.

Commonwealth Bank of Australia

The Commonwealth Bank of Australia (CommBank) takes a holistic view of Australia's health ecosystem, recognising the complex interrelationships between the broad range of providers, multiple funding streams and the regulatory framework under which it operates.

As a result, they have a health sector banking specialisation at a national level to ensure they are providing expertise, market views and insights aligned with the changing macro environment.

This includes providing a strong capability in technology and data analytics, with significant implications for organisations and market participants looking to capitalise on emerging opportunities presented by a digitally-driven health system.

These opportunities are catalysed by the Federal Government's National Digital Health Strategy - an ambitious roadmap for digital healthcare in Australia, designed to accelerate the transition towards new models of care and improved interoperability across the system. As new supporting initiatives are introduced, healthcare organisations are poised to adopt a range of innovations, including:

- Digitally enabled care models.
- Advanced data analytics harnessing a continuous stream of information from smartphone apps, biosensors and implantable devices.
- Machine learning and artificial intelligence.
- Remote and robotic care.

CommBank views the pharmacy sector in Australia as one of the critical segments of the overall health and primary care market, with an even more important role to play into the future. They have specialised bankers focused on pharmacy, industry-specific banking solutions, and are at the forefront of providing insights that can support innovation within a changing market, and overall growth.

With continued fiscal pressure on the overall healthcare sector, it's also more important than ever to both understand your customers, and work towards a differentiated and customised proposition to remain competitive. There are tailwinds from a demographic perspective, with an ageing population, greater life expectancy and more instances of chronic illness being experienced.

The nature of the competitive landscape within the industry continues to change, with sustained growth of major discounters, a rise in online retailing and an increased focus on provision of services, these present both opportunities and threats in today's dynamic marketplace.

As a crucial stakeholder, CommBank is also encouraged by the Government's ongoing commitment and engagement across the breadth of the industry, seeing this recently with signalling around negotiations for the Seventh Community Pharmacy Agreement (7CPA) which will provide a strong platform for continued growth.

QuintilesIMS

QuintilesIMS delivers integrated information and technology solutions to drive healthcare forward.

Around the world healthcare stakeholders are working to improve real-world patient outcomes through treatment innovations, care provision and access to healthcare. For the information, technology and service solutions they need to drive new insights and approaches, they count on QuintilesIMS. With a global team of 50,000, we harness insights, commercial and scientific depth, and executional expertise to empower clients to achieve some of their most important goals: Improving clinical, scientific and commercial results. Realising the full potential of innovations and ultimately, driving healthcare forward.

Visit www.quintilesims.com for more information.

The growing environment of challenge for Australian pharmacies

Since the release of the 2016 UTS: Pharmacy Barometer there has not been any new major economic government reform impinging on community pharmacy other than changes in 6CPA. However professionally, we have seen changes in legislation in most States permitting the implementation of vaccination programs in community pharmacies.

At a national level two policies which may have an interesting impact on pharmacy practice are the Australian National Digital Health strategy with the objective of patients having a MY Health Record by 2018 and stating that “Every healthcare provider will have the ability to communicate with other professionals and their patients via secure digital channels by 2022” and the National Strategic Framework for Chronic Conditions released May 2017.

A number of previous major reforms have had and will continue to have, impact on the delivery, focus and funding of health in Australia. Government-led national health care, PBS reforms and retail trends have significantly affected the distribution, funding and provision of pharmaceutical products and services. Specific examples of such changes include;

- Expanded and Accelerated Price Disclosure (EAPD) price reductions
- Generic substitution
- Changing remuneration systems
- Discount pharmacy models

- Primary Health care networks
- Coordination and integration of primary care providers
- Wholesaler terms and conditions
- Discount pharmacy models
- Advanced practice
- Increased use of medications
- Online retailing
- Professional shift from product based to service based
- Patient self-management
- Ageing population
- Increased policies directed at preventative services
- Sharing of electronic health data
- Sixth Community Pharmacy Agreement
- Biosimilars

The Sixth Community Pharmacy Agreement effective from July 2015 has resulted in the move away from the reimbursement dependence on cost of medication, through essentially the deletion of the mark-up component and the increased funds available for services. The Agreement appears to have stabilised the community pharmacy industry with continue trend for most pharmacies to implement professional services. Budget 2017 saw the Government providing \$200 million “in recognition of lower than expected script volumes”, and the distribution of the \$600 million held in contingency for new and expanded programs as follows;

- Dose Administration Aids (\$340 million)
- Staged Supply (\$80 million)
- Expansion of MedsCheck and Diabetes MedsCheck program (\$90 million)
- Home Medicines Reviews including follow up service in community pharmacy (\$60 million)
- Incorporating medication management programs within Health Care Homes (\$30 million)

The Government also continued to provide policy support for Community pharmacy through a number of other initiatives such as “recognising community pharmacy role in primary health” within the PHN and a commitment to the continuation of community pharmacy location rules “... beyond 6CPA”.

Business models in community pharmacy continue to differentiate, driven initially by the retail success of the discounters, but now accelerated by the expected decline or at best maintenance of profits from dispensary income and the recent appearance of new professional service models. The depth of knowledge and impact of these coming changes on and by individual pharmacy owners and employees is uncertain. Concurrently, the business model adopted by many pharmaceutical companies for acquiring loyalty, market share and sales through pure discounting mechanisms alone is changing. Accompanying all these changes there has been much debate, in the scientific literature, professional and trade journals and professional pharmacy and other stakeholder organisations, of the potential impact of these changes will have on the pharmacy industry as a whole. An understanding of the perceived and the eventual impact of all these changes and their future effect on the professional and business strategy concerns many players including:

- Community pharmacy owners and practitioners
- Pharmaceutical companies and manufacturers (branded and generic)
- Pharmaceutical wholesalers
- Professional organisations
- Pharmacy educators and researchers
- State and federal governments
- Finance industry including banks, lending institutions and investors

All these stakeholders will require accurate and timely feedback on how this \$16 billion industry is thinking and how it is likely to evolve.

The UTS Community Pharmacy Barometer™

With industry challenges and perceived gaps in knowledge of the impact these upcoming changes may have on their business and professional practice, the UTS Pharmacy School and QuintilesIMS developed the Community Pharmacy Barometer.

The UTS Community Pharmacy Barometer™ is the first comprehensive research tool available to all the stakeholders in the Australian Pharmacy industry designed to track the confidence, perceptions and opinions of pharmacy owners and employees. On an annual basis the UTS Community Pharmacy Barometer™ tracks the viability of the pharmacy business, the profession, perceptions and opinions of the coming changes on the current and future value of pharmacies as well as researching in depth a key topic at each wave.

The UTS Community Pharmacy Barometer™ will measure opinions, perceptions, potential behaviours and ideas with data and verbatim comments from pharmacists and expert commentary from key leaders of Australian Pharmacy. The expert panel includes, Head of the UTS Graduate School of Health and Professor of Pharmacy Practice, Professor Charlie Benrimoj, UTS Adjunct Professor John Montgomery, Warwick Plunkett, Pharmaceutical Society of Australia (PSA) Director and Cameron Ziebell, National Head of Healthcare, Business & Private Banking, Commonwealth Bank.

Methodology and Analysis

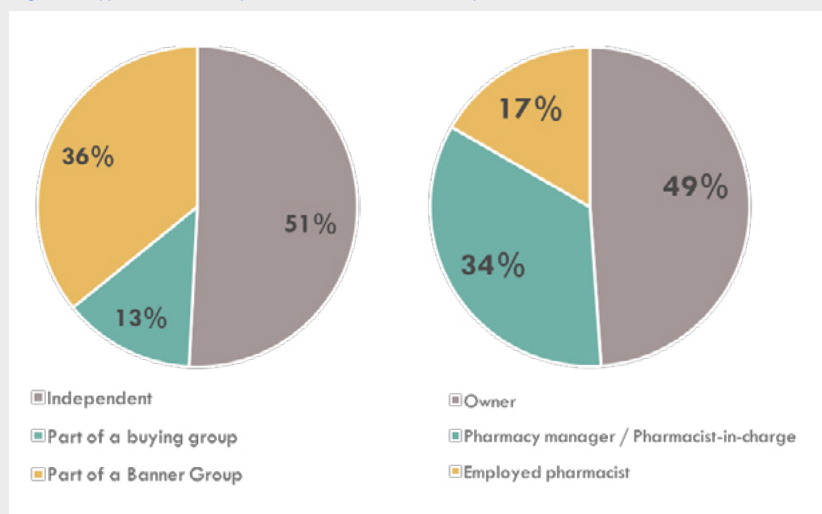
The questions were designed to assess the confidence of pharmacists in their business in the short (one year) and medium-term (three years). The first wave report was completed in April 2012 with the additional topic focussing on Expanded and Accelerated Price Disclosure (EAPD). One of the most interesting findings in the inaugural study was the feedback surrounding a service-based model. The focus of the second wave, completed in October 2012, was therefore decided to be on service provision in community pharmacy. The third wave, completed a year later in October 2013, delved deeper into a specific range of services, focussing on minor ailment services. In the fourth wave, the topic of the Sixth Community Pharmacy Agreement was addressed, during the period of its negotiation, with wave five exploring the Sixth Community Pharmacy Agreement post ratification.

Wave six continued to assess the implications of the Sixth Community Pharmacy Agreement whilst simultaneously examining questions posed in the Review of Pharmacy Remuneration and Regulation discussion paper in addition to examining pharmacist perceptions of the potential collaboration between pharmacists and general practitioners. In this the seventh wave of the barometer in addition to addressing effects of the Sixth Community Pharmacy Agreement, analysis was also conducted on the up-scheduling of codeine, pharmacist wages, pharmacist involvement with primary healthcare networks and use of biosimilars in the community pharmacy environment.

The 2017 survey for UTS Community Pharmacy Barometer™ was created in collaboration - with QuintilesIMS, University of Technology Sydney pharmacy expert panel and Commonwealth Bank Australia experts.

Data collection occurred in September 2017, with an invitation to participate in the online survey emailed to the pharmacists on the QuintilesIMS online panel (a sample from the panel of 1,000 pharmacists that is nationally representative of the general community pharmacy population). Participants included those who identified themselves as working in community pharmacy (majority of the time), and were either an owner (14%), owner-manager (35%), pharmacist-in-charge/pharmacy manager (34%) or employed pharmacist (17%). The questionnaire also captured the type of pharmacy in which the pharmacist worked (independent (51%), banner (36%) or buying group (14%)).

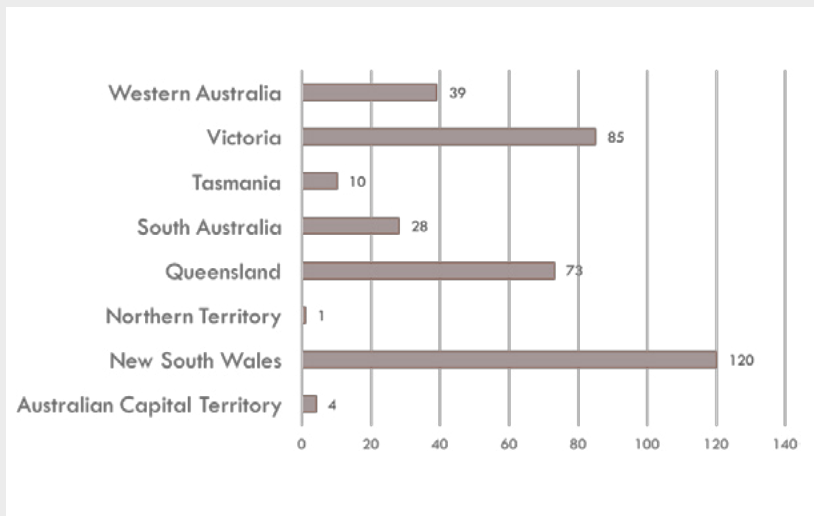
Figure 1: Type of Pharmacy and Role in the Pharmacy (n=360)



A sample of 360 pharmacists was surveyed in 2017 in order to have $\pm 5\%$ marginal error with 95% confidence interval, with the sample being representative of the Australian community pharmacy sector. Open-text questions were coded into themes that could communicate the main topics raised by the pharmacists. Tables were produced for all questions with the following groups: Type of pharmacist [Owner (combination of owner & owner-managers) vs. Employed (combination of pharmacist-in-charge & employed pharmacist)]; Age [three age categories] and Type of pharmacy [Independent vs. Group (combination of banner and buying groups)].

Certain questions were only offered to 'decision makers' (owner, owner-managers and pharmacist-in-charge/ pharmacy manager n=300). The data were tested for statistically significant differences (z-tests for proportions and t-tests for means; both using a 95% confidence interval). Certain questions were analysed as cross-tabs, to investigate potential relationships and themes.

Figure 2: State and Territory breakdown of Pharmacists (n=360)



UTS Community Pharmacy Barometer™

The UTS Community Pharmacy Barometer™ measure was derived using the following questions:

1. Do you believe the value of your pharmacy will increase, decrease or remain the same in the next year?
2. Do you believe the value of your pharmacy will increase, decrease or remain the same in the next 3 years?
3. On a scale of 1 to 10 where 1 is extremely pessimistic and 10 is extremely optimistic, how confident are you in the future viability of community based pharmacy?

The first two questions were only asked of 'decision makers' (owner, owner-managers and pharmacist-in-charge/ pharmacy manager n=300), while the third was asked of all pharmacists (n=360). For the calculation of the Barometer measure only those who answered all three questions were included (n=249).

For each of the first two questions above, responses were assigned the following values:

Increase = 2
Remain the Same = 1
Decrease = 0

The sum of the values was calculated for each question and the sum divided by the total number of pharmacists who selected one of the three options for that question (i.e. an option other than 'not sure').

For the third question responses were assigned the following values:

Optimistic (rating of 8-10) = 2
Neutral (rating of 4-7) = 1
Pessimistic (rating of 1-3) = 0

The first two questions provided insights into the 'value' pharmacists foresee for their pharmacy and the third gives an emotional insight into their confidence in the future. We used 'value' + 'emotional insight' = 'Pharmacy Barometer' as the basis for providing a 50% weighting to the two value questions and a 50% weighting to the emotion (pessimism - optimism scale) question.

As the first question refers to 'next year' (more immediate) and the second to 'next three years' (further away, shadowed with uncertainty), it was decided to distribute the 50% weighting for 'value' as 35% for next year and 15% for three year timeframes. The UTS Community Pharmacy Barometer™ incorporates these three weighted scores.

In 2017 we have also added questions regarding emerging issues which may affect community pharmacy both professionally and economically. These questions centre on the 6CPA, channels used by pharmacy, the debate about the potential change of the schedule for codeine preparations to prescription only, pharmacy involvement with primary health care networks and use of biosimilar medications.

Sixth Community Pharmacy Agreement:

1. What is your current level of satisfaction with the 6CPA on an economic and professional level?

	Strongly Dissatisfied				Neutral				Strongly Satisfied	
Economic level	1	2	3	4	5	6	7	8	9	10
Professional level	1	2	3	4	5	6	7	8	9	10

2. a) In the last year has your pharmacy started to implement new professional services?

- Yes
- No
- No change to previous services

b) If yes, which services has your pharmacy started to implement?

3. Has the remuneration level of your pharmacist employee (or if you are an employee pharmacist) changed in the last year?

- Yes
- No
- Not sure
- Not applicable

4. What is the average hourly rate for your employee pharmacist?

- Less than \$30 per hour
- Between \$30 to \$40 per hour
- Between \$40 to \$50 per hour
- More than \$60 per hour, specify

Channels used by pharmacy:

5. What channels does your pharmacy currently use to sell (please tick as many as apply)

- In store
- No
- Wholesale
- Other (please specify).....

6. Do you see your pharmacy's channel usage increasing, decreasing or staying the same over the next 12 months?

	Increasing	Decreasing	Staying same	Unsure
In store				
Online				
Wholesale				
Other				

7. What impact has the growth of online retailers had on your pharmacy?

- Positive
- Negative
- Unsure
- None

8. Approximately what proportion of your pharmacy's revenue is earned through front-of-shop (retail) vs dispensary (prescriptions)?

- _____(%): front-of-shop house (retail)
- _____(%): back-of-house (prescriptions)

Codeine debate:

9. What level of comfort do you have in using MedASSIST?

Very uncomfortable				Neutral				Very comfortable	
1	2	3	4	5	6	7	8	9	10

10. How well prepared are you to deal with OTC codeine abuser?

Very unprepared				Neutral				Very prepared	
1	2	3	4	5	6	7	8	9	10

Primary Health Care Networks:

11. a) What is your level of involvement with your local primary health care network?

Not involved at all				Neutral				Strongly involved	
1	2	3	4	5	6	7	8	9	10

b) If you answered 5 or more, please describe that involvement

12. What level of impact do you feel that the Primary Health Care Networks will have on your pharmacy;

	None				Neutral				High Impact	
Economic level	1	2	3	4	5	6	7	8	9	10
Professional level	1	2	3	4	5	6	7	8	9	10

Biosimilar medicines:

13. What is your level of comfort providing information to patients on their uses?

None				Neutral				High	
1	2	3	4	5	6	7	8	9	10

14. What is your level of awareness of 'Department of Health Biosimilar Awareness Initiative'?

None				Neutral				High	
1	2	3	4	5	6	7	8	9	10

15. What is your level of confidence on substitution?

None				Neutral				High	
1	2	3	4	5	6	7	8	9	10

16. What is your overall level of preparedness to dispense to new patients?

None				Neutral				High	
1	2	3	4	5	6	7	8	9	10

Members of the UTS Community Pharmacy Barometer Expert Panel



PROFESSOR SHALOM (CHARLIE) BENRIMOJ
Head, Graduate School of Health & Professor of Pharmacy Practice

University of Technology Sydney and Emeritus Professor, the University of Sydney. Professor S.I. (Charlie) Benrimoj B. Pharm (Hons), Ph.D. F.P.S., FRPSGB, FFIP is Head of the Graduate School of Health University of Technology Sydney 2011 to present). He was the Foundation Professor of Pharmacy Practice, Dean of the Faculty of Pharmacy and Pro-Vice Chancellor (Strategic Planning) University of Sydney. He is a visiting professor at the University of Granada. He graduated with B. Pharm. (Hons) 1976, followed by completion of a Ph.D. 1980, University of Bradford, U.K. His research interests encompass the future of community pharmacy and professional cognitive pharmaceutical services from community pharmacy. These include the provision of drug information to consumers, clinical interventions, patient medication reviews, disease state management systems, Pharmacy and Pharmacist only medications, change management and international pharmacy practice. Research interests involve the clinical, economic and implementation aspects of cognitive pharmaceutical services from community pharmacy in current and emerging health care systems. He has published over 170 papers in refereed journals, 20 major research reports and presented and co-authored 200 conference presentations. He has co-authored a book "Community Pharmacy: Strategic Change Management" (2007). He was the Australian Pharmacist of the year in 2000. He was awarded the Andre Bedat 2010 by International Pharmacy Federation (FIP). He was elected a Fellow of three distinguished international and national societies in 2008 - Pharmaceutical Society of Australia, 2008 - Royal Pharmaceutical Society of Great Britain, 2007 - International Pharmacy Federation.



ADJUNCT PROFESSOR JOHN MONTGOMERY
CEO, Montrose Pharma Pty. Ltd.

John Montgomery has over 35 years' experience in the pharmaceutical industry including the US, UK, Australia and Japan. John was CEO of Alphapharm and Regional Director, Asia Pacific for Merck Generics, and then President, Mylan Asia Pacific from 1999 to 2010. Since then, John was General Manager of Pfizer Established Products for Australia and NZ and then Managing Director of STADA Pharmaceuticals Australia. He is currently CEO of Montrose Pharma Pty Ltd. Before Alphapharm, he spent 20 years with Warner Lambert in a variety of roles including Regional President Australia and NZ. He was Chairman of the Generic Medicines Industry Association (GMiA) for 5 years.



WARWICK PLUNKETT
Director and Past-President, Pharmaceutical Society of Australia

Warwick Plunkett is a director of the PSA, having served as National President. He is also proprietor and partner in Newport Pharmacy on Sydney's northern beaches, former CEO of Plunkett Pharmaceuticals and a consultant to a pharmaceutical company. As a director of PSA, Warwick has a day-to-day involvement in the broad scope of all matters involving pharmacists but on a personal level he lists his three main areas of interest as being community pharmacy, organisational pharmacy and the pharmaceutical industry. His major achievements include the establishment of the Self Care program, and the unification of PSA.



CAMERON ZIBELL
National Head of Healthcare, Business & Private Banking, Commonwealth Bank

Leading a national team of highly experienced healthcare banking professionals, Cameron's role focuses on the strategic financial requirements of the healthcare sector, with a particular emphasis on Residential Aged Care, Retirement and Medical Services. Responsible for identifying and initiating the development of market-leading solutions, Cameron's in-depth market experience and knowledge ensures CommBank clients are at the forefront of a rapidly expanding and changing industry sector. With over 16 years international banking experience, Cameron is a sought after industry expert, a frequent presenter at numerous industry and peak body events, and is involved in the development and participation in innovative think tank forums focused on meeting the ongoing needs of the Healthcare sector.

Executive Summary

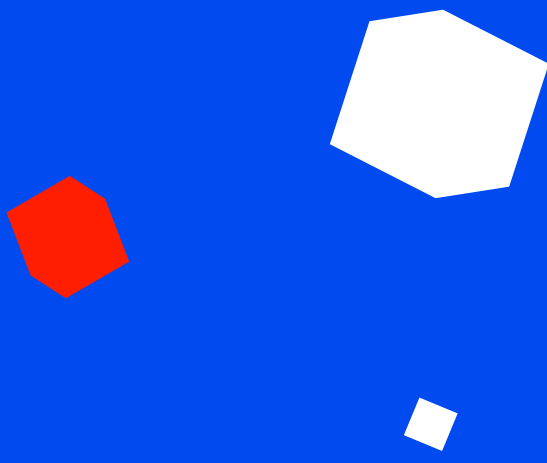
The UTS Community Pharmacy Barometer™ was created by UTS: Pharmacy. It is an annual study to track the confidence and opinions of pharmacy owners and employees as well as investigate in depth a key current topic. The focussed topic for this study is the ongoing delivery of the Sixth Community Pharmacy Agreement, the channels used by pharmacy, pharmacist wages, debate about the potential change of the schedule for codeine preparations to prescription only, pharmacy involvement with primary health care networks and use of biosimilar medications.

The 7th wave of the barometer was conducted in September 2017, with 360 pharmacists responding drawn from the QuintilesIMS panel.

Results were:

- **The UTS Pharmacy Barometer™ score was 96.4 out of 200** (a score of 100 represents neutral confidence) indicating community pharmacy confidence has substantially improved but is still essentially neutral about the future of pharmacy.
- Whilst still remaining neutral, overall confidence has risen 5% in the past year, reaching the highest confidence values seen in the history of the barometer. When the Barometer began in 2012 scores well below 100 were recorded (84.8 in wave 1 and 86.0 in wave 2) with increasing pessimism experienced in years 2013 and 2014, (61.2 in Wave 3 and 68.9 in Wave 4). After 2 years of the 6CPA, confidence levels are being boosted reaching an all-time high in 2017 (96.4 in wave 7, 85.9 in wave 6, 93.2 in wave 5).
- Compared to the previous wave, more pharmacists indicated that they believe the value of their pharmacy in the next year will increase in value, returning to similar predictions from wave 5 in 2015 (20% in wave 7 up from 16% in wave 6 and 19% in wave 5). There is an equal percentage of pharmacists that indicated that they believe the value of their pharmacy in the next year will remain the same (38% in wave 7 and 39% in wave 6), however significantly less believe in a decrease in value (33% in wave 7, down from 37% in wave 6 and 36% in wave 5)
- Pharmacists' predictions of the value of their pharmacies in three years' demonstrated improved optimism with more pharmacists believing the value of their pharmacy will increase (25% in wave 7, versus 20% in wave 6), and a marked decrease in those believing the value of their pharmacies will decrease in value (31% in wave 7 versus 37% in wave 6 and 5). Similar numbers believe their pharmacies will remain the same (30% in wave 7, versus 28% in wave 6) or were unsure (14% in wave 7, versus 16% in wave 6). This suggests a stabilising effect and that pharmacists are beginning to become accustomed to the full impact of the 6CPA.
- The 20% of pharmacists who predicted their pharmacies would increase in value in the coming twelve months believed on average the value increase would be 15.9%, slightly down on 2016 predictions (21.1%) but still demonstrating significant growth.
- The expected decrease in value in the next twelve months predicted by pharmacists (33%) remained similar to previous years predictions at -16.04% with the bounce back seen in wave 5 flattening out (-17.7% in wave 6, -14.8% in wave 5).
- The expected change in value of their pharmacy in three years' time, by pharmacists' who believe their pharmacies will increase in value, has remained fairly stable (17.47% in wave 7, versus 20.4% in wave 6 and 16.1% wave 5). With the expected decrease in value of pharmacies in three years by those that predicted their pharmacies would decrease in value following similar trends (-19.1% in wave 7, versus -18.7% in wave 6 and -18.1% in wave 5).
- Surprisingly the majority of pharmacists are neutral, neither satisfied nor dissatisfied about the Sixth Community Pharmacy Agreement on an economic level (5.52 out of 10 (SD: 1.82). Owner/owner managers have the greatest level of satisfaction whilst still remaining neutral (5.85 out of 10).
- Similarly pharmacists expressed a neutral (5.91 out of 10 (SD: 1.78)) opinion on their satisfaction with the 6CPA on a professional level, however were more satisfied professionally than economically perhaps reflecting the increasing dependence and focus on professional services.
- The overall confidence increased from 5.33 in 2016 to 5.64 (SD: 1.90) in 2017. However interestingly whilst the overall confidence of owners/owners managers/ pharmacist managers is growing, the overall confidence for employed pharmacists is decreasing. Pharmacists, although generally neutral, are more optimistic in the future viability of community pharmacy, with an apparent shift from those with a pessimistic view to now demonstrating a neutral or optimistic rating.

- 65% of Pharmacists indicated that in the previous twelve months they have started to implement new professional services compared with 10% “no” and 25% “no change”. The implementation of new services is up 6% on 2016 values. This increasing trend is in line with the stated future of the profession.
- Professional pharmacy services were once again identified as the greatest opportunity for community pharmacy over the next three years. A staggering 56% of pharmacists identified professional services as the greatest opportunity for community pharmacy over the next three years.
- Remuneration level of employee pharmacists has remained mostly stable, with over two thirds of pharmacists indicating there has been no remuneration change in the last year (69%). Two thirds of pharmacists indicated that their employee pharmacist earned between \$30-\$40/hour (63%). A quarter indicating that they earned between \$40-\$50/hour (27%) up from one fifth in 2016 (20%).
- Despite a large number of pharmacists indicating a negative impact of the growth of online retail channels (50%), in store channels remained the predominant mode used to sell (97%). Notably online channels were the highest growing channel (up by 55% from a low base) for the past twelve months, while wholesale were the highest decreasing channel (18%). The largest proportion of pharmacies revenue is generated through the dispensary (62%).
- Greater than half of all pharmacists felt confident using the MedASSIST tool (54%) with owner/owner-managers (7.58 out of 10) having greater confidence to deal with an OTC codeine abuser compared to employed pharmacists (6.68 out of 10).
- Pharmacists are slowly beginning to become involved with their local Primary Healthcare Network (PHN) (17%), however the majority remain neutral (53%) with all pharmacist types expressing a neutral view in regards to the level of economic (5.64 out of 10 (SD2.08)) and professional (5.99 out of 10 (SD1.99)) impact it would have on their pharmacy. An additional one third of pharmacists were not involved and integrating at a local level with PHNs. The lack of involvement may be negative impacts including lack of integrating community pharmacy in primary care and exclusion from ‘commissioned’ services.
- Pharmacists’ are neutral with respect to their confidence and preparedness to deal with biosimilar medicines. With the level of comfort in providing information to patients (6.58 (SD: 2.2)), level of awareness of the ‘biosimilars awareness initiative’ (5.23 (SD: 2.43)), level of confidence on biosimilar substitution (6.01 (SD: 2.37)) and perceived level of preparedness to dispense biosimilars (6.29 (SD: 2.4)) reporting average neutral values across all pharmacist types.



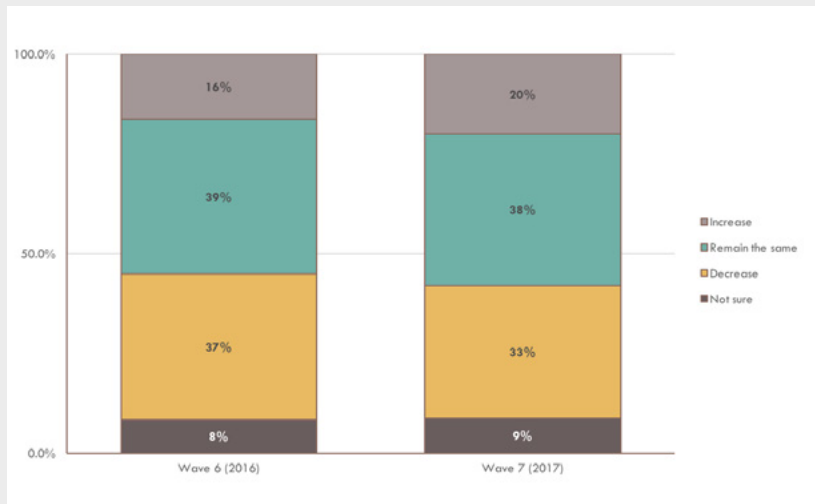
UTS Pharmacy Barometer 2017



Expected value of Pharmacy

“Will the value of your pharmacy increase, decrease or remain the same at one year and three years from now?”

Figure 3: Expected value of pharmacy in the next year



* Note: Answered only by Owners, Owner managers, Pharmacy managers and Pharmacist-in-charge; wave 7: n=300, wave 6: n=307

Wave 7 of the UTS Community Pharmacy Barometer shows a slight increase in pharmacists' belief on the value of their pharmacy in the next twelve months when compared with wave 6 in 2016. The previous optimistic shift from wave 3 in 2013 and wave 4 in 2014 continues to gain momentum with pharmacists indicating greater confidence in an expected increase in the value of their pharmacy (20% in wave 7 up from 16% in wave 6) and less likely to experience a decrease in value (33% in wave 7 down from 37% in wave 6) in the next twelve months. Still the majority of pharmacists (owners, owner managers, pharmacy managers and pharmacists-in-charge) are indicating that they believe the value of their pharmacy will remain the same (38% in wave 7, 39% in wave 6 and 38% in wave 5), with fewer forecasting a decrease in value (33% in wave 7, 37% in wave 6, 36% in wave 5) in the next year. The percentage that is unsure has remained stable, currently at 9%.

One fifth of pharmacists are reporting an increase in their financial situation in the following twelve months and while one third of pharmacists believe the value of their pharmacy will decrease in the proceeding twelve months this figure continues to lessen. Community pharmacy owners and managers may be experiencing and becoming accustomed to the terms of the 6CPA; highlighting the growing sense of stability and security.

EXPERT COMMENTARY

“Upward trajectories on pharmacy value in the next 12 months probably a reflection of greater confidence and certainty.”

John Montgomery

“The recent additional injection of funds into the Agreement from the services pool has lifted the confidence and satisfaction level of pharmacists – particularly owners who benefit the most – in the future viability of their business.”

Warwick Plunkett

“We can see a settling down of the market; pharmacists are increasingly becoming accustomed to the 6CPA and this stability is injecting a sense of confidence in their economic and professional future.”

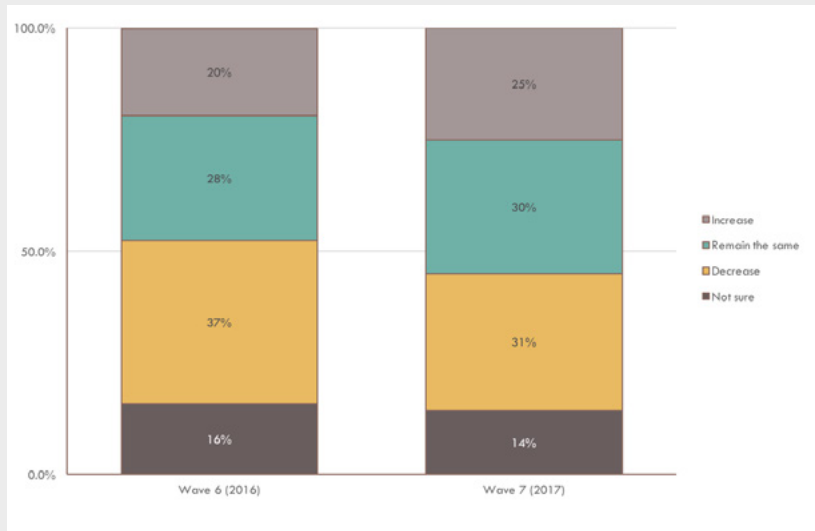
Charlie Benrimoj

“We are seeing sustained market attitude looking at the short term value of community pharmacy. The strong operators are more optimistic with value expectations through revenue stream diversification.”

Cameron Ziebell



Figure 4: Expected value of pharmacy in the next three years



* Note: Answered only by Owners, Owner managers, Pharmacy managers and Pharmacist-in-charge; wave 7: n=300, wave 6: n=307

The trend of the stabilisation of pharmacists’ financial viability for the next twelve months continues to be followed by pharmacists’ predictions of the value of their pharmacies in three years’ time. Pharmacists’ optimism appears to be slowly increasing with a larger percentage forecasting increases in value (25% in wave 7, versus 20% in wave 6), and fewer forecasting decreases in value (31% in wave 7 versus, 37% in wave 6). A slight decrease was observed in those who were unsure (14% in wave 7, 16% in wave 6), while there was a minor increase in those that believe their pharmacies will remain the same (30% in wave 7, versus 28% in wave 6), suggesting a move from those who believed a decrease would occur to now remaining the same or increasing in value. Compared to all other waves (wave 1-wave 7) pharmacists are expecting the lowest likelihood of a decrease in value (31%) and the highest likelihood of an increase in the value of pharmacy (25%) in the next three years.

Pharmacists’ continue to display an underlying confidence in their medium term future as they increasingly become accustomed to the current market and terms of the 6CPA. Optimism is slowly rising amongst pharmacists with the main shift appearing to be from those that believe their pharmacies will remain the same in twelve months to being unsure or increase in value at three years’ time. This may suggest a settling down of the market and greater assertion of the future direction of the community pharmacy landscape.

EXPERT COMMENTARY

“With nearly 3 years to run with the 6CPA funding renewed confidence continues for the 3 year outlook.”

Warwick Plunkett

“The three year outlook projecting an upward trajectory in value is more strategic and meaningful in terms of confidence than the one year prediction.”

John Montgomery

“Pharmacists are seeing a better future. The increasing stability is beneficial and hopefully it will eventually provide a dynamic proactive environment for all concerned in the industry. ”

Charlie Benrimoj

“Although not material changes from last wave it is a positive sign to see the industry with a positive outlook beyond the current 6CPA and into 7CPA. This can be attributed to the positive impact of 6CPA as well as the Government’s signalling to the market, particularly around professional services and location rules.”

Cameron Ziebell

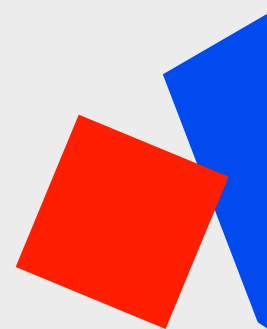


Figure 5: Average changes in value expected in the next year

Responders who think the value will <u>increase</u> (n=60 in this wave)						
	Waves					
	Nov-12	Sep-13	Aug-14	Sep-15	Sep-16	Sep-17
Average increase	10%	17%	9.7%	13.1%	21.1%	15.9%
					Maximum	110%
					Minimum	2%

Responders who think the value will <u>decrease</u> (n=100 in this wave)						
	Waves					
	Nov-12	Sep-13	Aug-14	Sep-15	Sep-16	Sep-17
Average decrease	-17%	-20%	-17.7%	-14.8%	-17.7%	-16.04%
					Maximum	-70%
					Minimum	-2%

** outliers of 500% increase excluded from the analysis

EXPERT COMMENTARY

“We are starting to get a positive change in predictions of change. Pharmacists are starting to run with the 6CPA and with greater economic stability.”

Charlie Benrimoj

“In this wave, the average change in value is likely more realistic than in 2016 which looks like an outlier.”

John Montgomery

“I think this figure is now looking more realistic for the optimists amongst the responders.”

Warwick Plunkett

The average expected change in value of pharmacies in the next year has decreased by 5% in twelve months, however the number of pharmacists who expect to see an increase in value has increased (n=60, wave 7, versus n=50, wave 6). There is still an overall trend for expected increases in value however they are not increasing as fast compared to 2016. Those pharmacists that predicted their pharmacies would increase in value believed on average the value increase would be 15.9%, declining to similar predictions as in wave 5 (2015) (13.1% in wave 5, 21.1% in wave 6 and 15.9% in wave 7).

One third of pharmacists predicted their pharmacies would decrease in value in the next year, expecting on average the percentage value decrease to be -16.04%, which is less than twelve months ago (-17.7% in wave 6), and the second lowest value observed across all waves. The number of pharmacists projecting decreases in value has also decreased by 10% (n=100, wave 7, versus n=112, wave 6).

There is an increase in the proportion of pharmacists identifying a potential increase in the value of their businesses or at least, if their pharmacies are to decrease in value, the decrease in value will be less.

Figure 6: Average changes in value expected in the next 3 years

Responders who think the value will <u>increase</u> (n=75 in this wave)						
	Waves					
	Nov-12	Sep-13	Aug-14	Sep-15	Sep-16	Sep-17
Average increase	15%	17%	17%	16.1%	20.4%	17.47%
					Maximum	110%
					Minimum	2%

Responders who think the value will <u>decrease</u> (n=92 in this wave)						
	Waves					
	Nov-12	Sep-13	Aug-14	Sep-15	Sep-16	Sep-17
Average decrease	20%	24%	23.8%	18.1%	18.7%	19.1%
					Maximum	100%
					Minimum	3%

An increasing number of pharmacists projected value increases over the next three years (n=75) compared to wave 6 (n=60), while 7% fewer pharmacists expected the value to decrease (n=92, wave 7, n=112, wave 6). One quarter of pharmacists' project expected increases in value of their pharmacy in three years' time (17.47%), slightly down on wave 6 projections (20.4%). While almost one third of pharmacists' who predicted their pharmacy will decrease in value in three years' time has remained fairly stable with the expected percentage decrease to be -19.1% in wave 7 versus -18.7% in wave 6, another indication that the community pharmacy landscape is stabilising.

This data may demonstrate a flattening of the discounting effect and the overall trend of stabilisation; however the majority of respondents continue to forecast decreases in value suggesting there is a strong lack of strategic response and direction.

EXPERT COMMENTARY

“Again this 3 year view shows interesting longer term bullishness on pharmacy value.”

John Montgomery

“The ones that are doing well, (since they have responded strategically and operationally) are much more confident, while there is a group that does not appear to be responding to the market changes or are not quite sure what to do.”

Charlie Benrimoj

“Obviously a significant divide remains between those who see themselves competing successfully with better service and programs and those who do not.”

Warwick Plunkett

The view from pharmacy

Pharmacists were asked to indicate the reasons for their predicted change in the value of their pharmacy with responses in 2017 following 2016 trends.

PREDICTED AN INCREASE IN VALUE

The most prominent themes for those that predicted an increase in value were:

- Increased service offering
- Location/demographics of pharmacy
- Population growth
- Professional services
- Public awareness of services

“New direction and growth diversification”

“Bottoming out of price disclosure, expanded paid professional services, consolidation of costs”

“More patient involvement”

“People are more health conscious and being more accessible we are the right people to advise and direct them on general health”

“Ageing population and population growth”

“Greater understanding of the services that pharmacy can provide”

“Strong customer service”

“Increased provision of professional services”

“Improving front of shop sales”

“Growing needs of the community”

“Introducing new elements to clinical offering to create a unique health destination for customers”

“Utilising funding from 6CPA”

PREDICTED A DECREASE IN VALUE

The most prominent themes for those that predicted a decrease in value were:

- Competition, particularly from discounters
- Government reforms- codeine rescheduling
- PBS cuts
- Reduced medication pricing (price disclosure)

“Competition from discounters”

“Pressure on prescription prices and OTC competition”

“Prospect of higher interest rates”

“Continual loss of market share”

“Changes to the availability of over the counter products i.e. codeine”

“One dollar PBS discount”

“Government funding cuts”

“Declining income and margins”

“Reduced profitability and increased competition from ‘big box’ discounters”

“Codeine rescheduling”

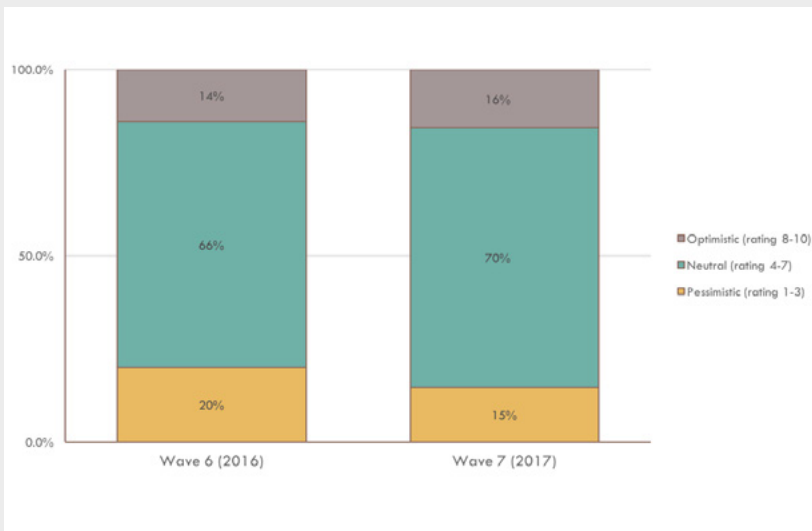
“Tougher retail conditions”

“Loss of codeine analgesics”

Confidence in the future

“On a scale of 1 to 10 where 1 is extremely pessimistic and 10 is extremely optimistic, how confident are you in the future viability of community based pharmacy?”

Figure 7a: Pharmacists confidence in the future viability of community-based pharmacy

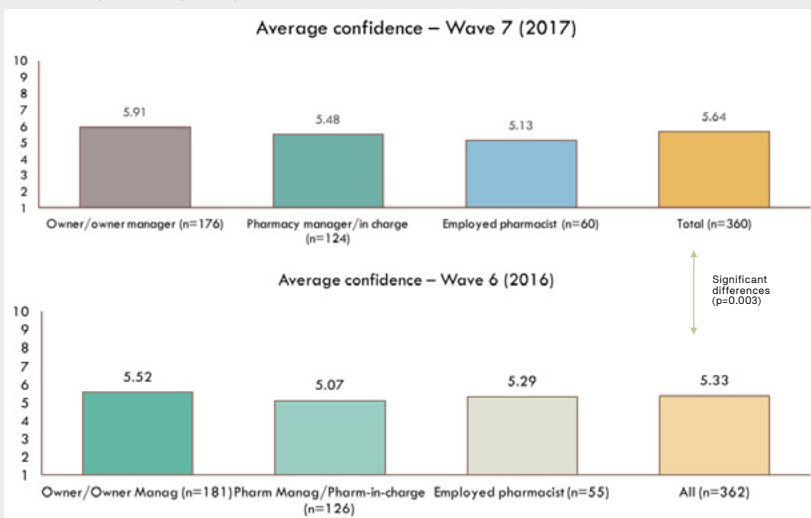


*wave 6: n=362, wave 7: n=360

Pharmacists, although generally neutral, are more optimistic in the future viability of community pharmacy, with an apparent shift from those with a pessimistic view to now demonstrating a neutral or optimistic rating. The pessimistic ratings between 1 and 3 have decreased (15% in wave 7 down from 20% in wave 6), and optimistic scores between 8 and 10 have increased (16% in wave 7 up from 14% in wave 6). Neutral ratings between 4 and 7 have increased on the previous two years at 70% in wave 7 compared with 66% in both wave 5 and 6.

The average confidence in wave 7 is significantly higher compared to wave 6 with significant statistical difference in the overall mean 5.64 for wave 7 and 5.33 for wave 6. There appears to be a trend over time for confidence to increase be it from a neutral position.

Figure 7b: Pharmacists confidence in the future viability of community-based pharmacy comparison

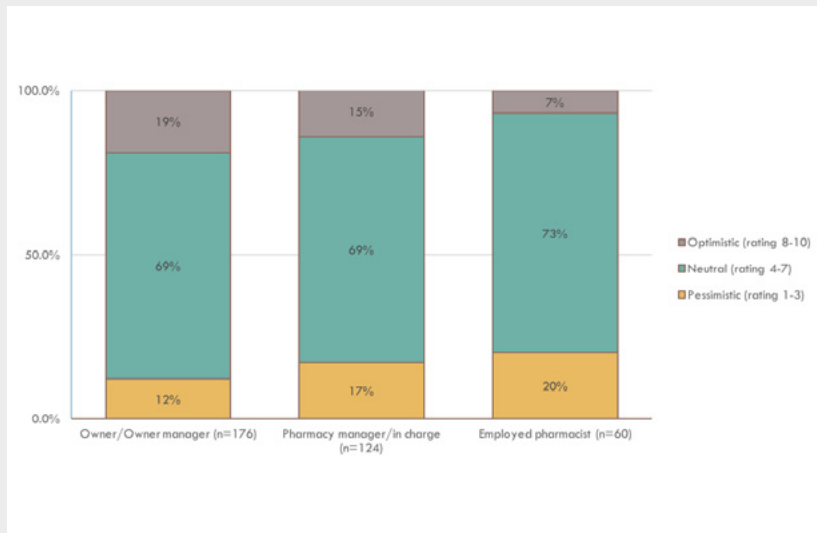


On average the overall confidence was 5.64 maintaining a fairly neutral rating which is not too dissimilar from the previous two years (wave 6, 5.3 and wave 5, 5.6). These figures remain closely aligned with wave 1 (5.4) and wave 2 (5.70). However interestingly whilst the overall confidence of owners/ owners managers/pharmacist managers is growing the overall confidence for employed pharmacists is decreasing wave 6 =5.29 and wave 7 =5.13.

These increasing negative view form employed pharmacist's needs to be addressed if we are not to lose the most capable of pharmacists to other industries and to attract the most capable to our universities. The anecdotal evidence is that base wages are insufficient for the responsibility and that role stresses are having a negative impact.



Figure 7c: Pharmacists confidence in the future viability of community-based pharmacy by pharmacist type (n=360)



* Note: Scale from 1 (pessimistic) to 10 (optimistic)

Almost double the amount of employed pharmacists (5.13) and one and a half times the proportion of pharmacy manager/pharmacist-in-charge (5.48) continue to demonstrate greater pessimistic views about the future viability of community pharmacy compared to owner/owner managers (5.91), with significant differences existing between employed pharmacists and owner/owner-managers. The inverse scenario was depicted for optimistic ratings.

The negative potential effects on the profession of the pessimistic views in community pharmacy must inevitably have negative consequences on the profession in terms of employed pharmacist workplace satisfaction. It is surprising that professional organisations and owner/owner-managers appear to not be actively addressing this issue. However consistent findings across wave 6 and 7 cement the view of an overall neutral confidence in the viability of community pharmacy but with an emerging difference of trend by pharmacist type.

EXPERT COMMENTARY

“If you own or manage a pharmacy, seems that things are going pretty well, but if you’re an employee the trickle down in confidence does not appear to be occurring. This is not healthy”

John Montgomery

“It is not desirable where employees are increasingly dissatisfied and are negative about the future viability of the community pharmacy. The best pharmacist’s employees will look for alternate employment eventually leaving the community pharmacy or even the profession. I wouldn’t want to operate in an industry where employee pharmacists want to take it to a different place than owners. The question is what strategies are we to adopt?”

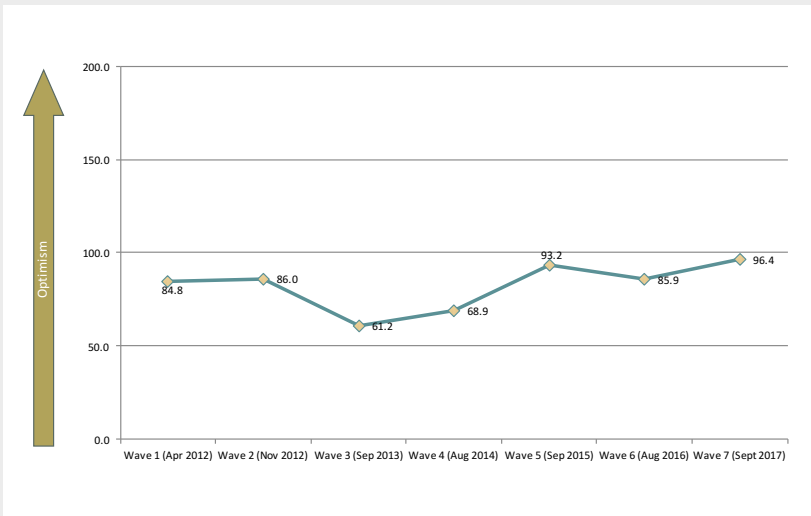
Charlie Benrimoj

“The lack of ongoing improvement in wages or increased professional activities from the emasculation of the 6CPA professional service pool is impacting negatively on employee attitudes. The PSA and PGA need to urgently address this to avert a looming disaster.”

Warwick Plunkett

UTS Community Pharmacy Barometer™

Figure 8: UTS Community Pharmacy Barometer Index (n=249)



Although predominantly neutral pharmacists' confidence has increased in the past twelve months with the UTS Community Pharmacy Barometer™ score increasing to a record high of 96.4 out of 200. Following a bottoming out of the barometer four years ago (61.2), steady increases overtime have resulted in an increase to its highest score. In 2012 a slightly negative, although fairly neutral Barometer score was reported (84.8 in wave 1 and 86.0 in wave 2). Subsequently a pessimistic turn occurred in the following two years (61.2 in Wave 3 (October 2013) and 68.9 in Wave 4 (October 2014)) before bouncing back to 93.2 in wave 5 (October 2015) and 85.9 in wave 6 (October 2016).

In this latest Barometer the score has remained at a neutral stance peaking at 96.4.

One may conclude; that a number of factors, such as recent government statements, evidence of the stabilising and positive effect of the 6th Agreement and the known local effects of business models, have increased stability and has boosted the confidence of the community pharmacy sector.

EXPERT COMMENTARY

"This increase in confidence rating may reflect relief rather than optimism now that some stability has occurred in their business."

Warwick Plunkett

"All the indicators point out that there is a neutral yet increasing confidence in the community pharmacy sector. This is pleasing. If these effects continue to be positive, particularly the economic and stabilising impact of the 6th Agreement I wouldn't be surprised if we hit over 100 next year."

Charlie Benrimoj

"An almost 60% increase in confidence since it bottomed in 2013 is highly significant. The big question is where it goes from here."

John Montgomery

“Where do you see the greatest opportunities for community pharmacy over the next three years?”

Professional pharmacy services were once again identified as the greatest opportunity for community pharmacy over the next three years. 56% of pharmacists identified professional services as the greatest opportunity for community pharmacy over the next three years. Pharmacists saw value in government funded health initiatives to continue to expand from those already in existence (MedsChecks, medication reviews, staged supply, dose administration aids and clinical interventions) with many highlighting specific services such as vaccinations, BP/cholesterol/coagulation monitoring, wound care, screening services, medication management, asthma management, expanded diabetes services, sleep apnoea, weight management and smoking cessation.

Other opportunities identified were the specialisation of pharmacists' role, development of interdisciplinary healthcare teams/alliances, enhancement of role in primary healthcare, growth of clinical role, pharmacist prescribing, health destination pharmacies, minor ailment schemes, wound management, compounding and working with the medication profession. A small number of pharmacists continued to see opportunity in increasing dispensary income through Webster packing and the ageing population.

EXPERT COMMENTARY

“Once again professional services are seen to be the greatest opportunity. Why are we not taking advantage of this opportunity? Is this a failure of the professional organisations to provide an economical sustainable model that allows these pharmacists to take the opportunity or is it the fundamental change in business model too complex whilst under pressure from the discounters? Strategic decisions with operations leadership need to be taken or we will continue in this way.”

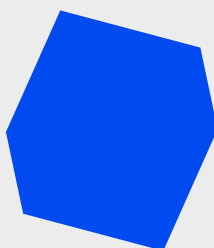
Charlie Benrimoj

“Uptake of professional services outside of those in the 6CPA remains mainly aspirational. It looks like the majority of pharmacies will only walk the talk when remuneration is part of the deal.”

Warwick Plunkett

“Professional services have been identified as the greatest opportunity for several Pharmacy Barometers. One wonders whether this is more a hope than a reality.”

John Montgomery





Sixth Community Pharmacy Agreement

Sixth Community Pharmacy Agreement

The viability of community pharmacy relies heavily on the Community Pharmacy Agreements, which are negotiated by the Pharmacy Guild of Australia and the Australian Government, Department of Health, every five years. Traditionally community pharmacy agreements are largely based around dispensing fees and mark-up of pharmaceutical care benefits. In the past these agreements permitted trading terms with pharmaceutical suppliers. Following the fifth agreement the government introduced a number of policies including Expanded and Accelerated Price Disclosure (EAPD) which had obvious negative impacts on the commercial future of the industry. In addition as part of the fifth agreement dispensing fees were frozen. However, separate to dispensing remuneration each agreement has seen an increased shift of funds being allocated to the remuneration for professional pharmacy services. The sixth agreement was seen by many stakeholders as critical to the future economic viability and professional identity of the profession.

The original key elements of the agreement included;

- A modification in the payment method for dispensing, from a dispensing fee + mark-up to dispensing fee + fixed administration and handling & infrastructure fee
- The Community Services Obligation continued, but remained fixed without indexation
- An additional \$600 million of funding be provided for professional pharmacy services, with \$50 million for a Pharmacy Trial Program for new services

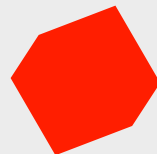
- A number of reviews have been agreed on;
 - Location rules
 - Wholesaler remuneration
 - Evaluation of 5CPA professional programs

Since the original agreement was signed there have been a significant number of changes to the 6CPA. Budget 2017 saw the Government providing \$200 million "in recognition of lower than expected script volumes", and the distribution of the \$600 million held in contingency for new and expanded programs as follows;

- Dose Administration Aids (\$340 million)
- Staged Supply (\$80 million)
- Expansion of MedsCheck and Diabetes MedsCheck program (\$90 million)
- Home Medicines Reviews including follow up service in community pharmacy (\$60 million)
- Incorporating medication management programs within Health Care Homes (\$30 million)

The Government also continued to provide policy support for community pharmacy through a number of other initiatives such as "recognising community pharmacy role in primary health" within the PHN and a commitment to the continuation of community pharmacy location rules "beyond 6CPA".

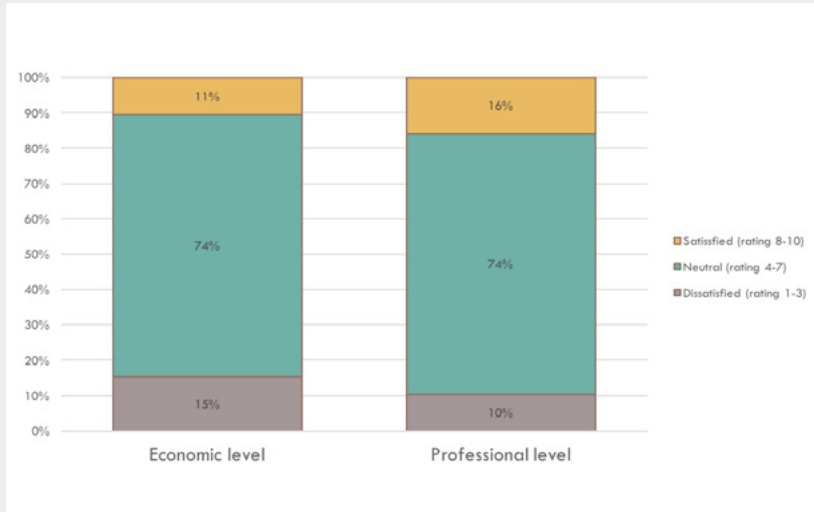
The \$50 million for research for pharmacy trial program for new services for the 7CPA seems not to have been fully allocated. An announcement in March 2016 "tranche one" saw the funding of a diabetes screening program, aboriginal health program and improved continuity in the management of patients' when they are discharged from hospital. Tranche 2 saw funding for asthma project and further funding for Aboriginal medication management.



“What is your level of satisfaction with the 6CPA on an economic level and professional level?”

GENERAL SATISFACTION:

Figure 9: Level of satisfaction with 6th CPA on an economic and professional level (n=360)



* Note: Scale from 1 (strongly dissatisfied) to 10 (strongly satisfied)

EXPERT COMMENTARY

“Lower satisfaction with the economics compared with the professional aspects of the 6CPA is not surprising, probably driven by underlying uncertainty as to how professional services will translate financially.”

John Montgomery

“The trend is going up, but we are still seeing distinct differences between economic and professional”

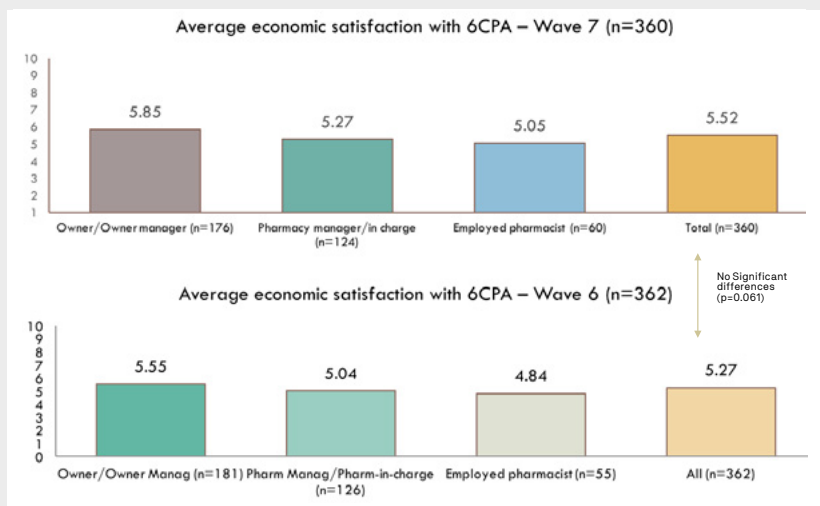
Charlie Benrimoj

Professional and economic satisfaction levels continue to rise slowly, yet the neutral trend continues with three quarters of respondents indicating a neutral rating both for economic and professional level of satisfaction. There is the possibility that the same group of pharmacists who are neutral about the professional effect of the 6CPA are also neutral about the economic effect of the sixth agreement and feel the same about the future viability of the profession.

Interestingly owner/owner-managers appear to be the most satisfied while employed pharmacists are the least satisfied. Whilst there is rising satisfaction with the 6CPA pharmacists are continuing to move towards services, many of which fall within the scope of the 6CPA. With employed pharmacists demonstrating the greatest sense of dissatisfaction targeting of this group is an important consideration in moving forward.

ECONOMIC SATISFACTION:

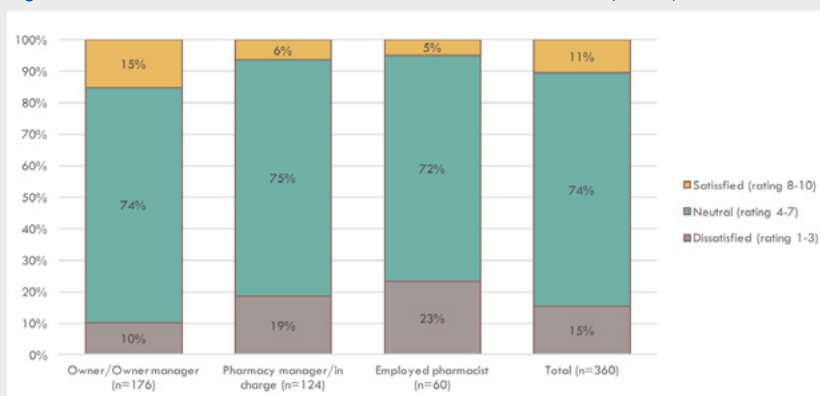
Figure 10a: Level of satisfaction with 6th CPA on an economic level between wave 6 and 7



Interestingly from an economic perspective all pharmacist types remain neutral at 5.52 (SD: 1.82), although there is slight trend, but not statistically significant, greater economic satisfaction than twelve months ago (5.27 in wave 6). All pharmacist types displayed increases in their satisfaction level however owner/owner-managers were observed to have the greatest increase in satisfaction (5.85 in wave 7, versus 5.55 in wave 6).

There were statistically significant differences between responses from owner/owner-managers (5.85), and employed pharmacists (5.05), but difference between pharmacy managers/pharmacists-in-charge (5.27) and employed pharmacists (5.05), and owner/owner-managers (5.85) and pharmacy managers/pharmacists-in-charge (5.27), were not statistically significant. That is, owner/owner managers are more satisfied with the 6CPA on an economical level probably due to increased financial stability.

Figure 10b: Level of satisfaction with 6th CPA on an economic level (n=360)



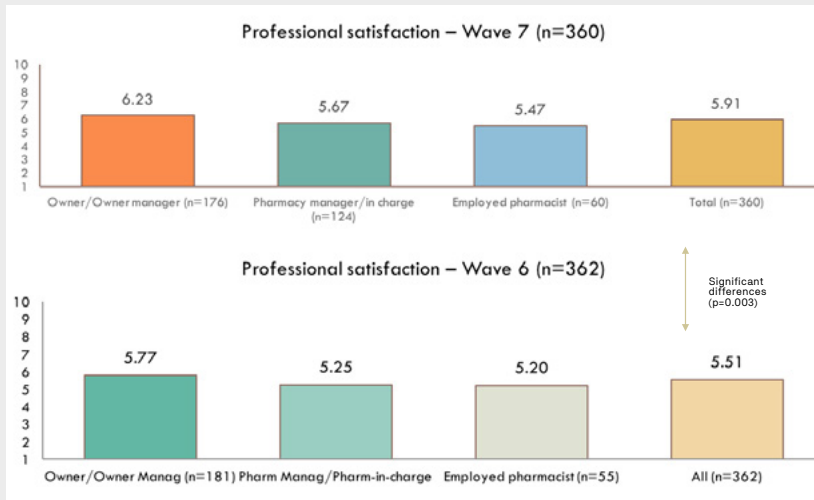
* Note: Scale from 1 (strongly dissatisfied) to 10 (strongly satisfied)

Interestingly the proportion of pharmacists who are satisfied with the 6CPA on an economic level has increased (11%, wave 7) in the last twelve months returning to values demonstrated in wave 5 (13%), while pharmacists' remaining neutral and those dissatisfied has marginally reduced.

There appears to be an emerging sense of confidence in the economic viability of the 6CPA however majority of pharmacists are still waiting to see the full economic benefit.

PROFESSIONAL SATISFACTION:

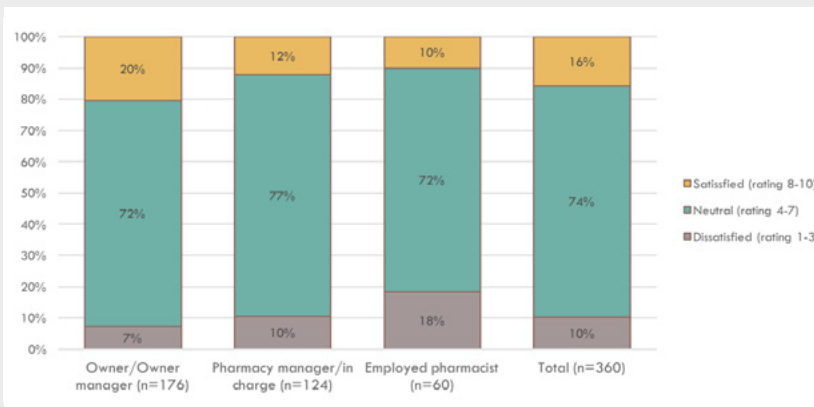
Figure 11a: Level of satisfaction with 6th CPA on a professional level between wave 6 and 7



Pharmacist professional satisfaction has increased significantly in the past twelve months by almost half a point (5.91 in wave 7, versus 5.51 in wave 6). Statistical differences were seen between owner/owner-managers (6.23) and employed pharmacists (5.47). No statistical significant differences were seen between pharmacy managers/pharmacists-in-charge (5.67) and employed pharmacists (5.47), and

owner/owner-managers (6.23) and pharmacy managers/pharmacists-in-charge (5.67). The same proportion of pharmacists remain neutral when compared with 2016 (74% in wave 7 and 6), however there has been a 3% upward shift from those who were dissatisfied in 2016 (10% in wave 7 down from 13% in wave 6) to being satisfied in 2017 (16% in wave 7 up from 13% in wave 6).

Figure 11b: Level of satisfaction with 6th CPA on a professional level (n=360)



* Note: Scale from 1 (strongly dissatisfied) to 10 (strongly satisfied)

Owner/owner managers demonstrated a 10% higher positive professional satisfaction level (20%) when compared with employed pharmacists (10%). The position a pharmacist holds significantly impacts their level of professional satisfaction or dissatisfaction with the 6CPA. With trends highlighting that the more significant decision making role held, the higher the level of satisfaction.

The reverse is true for dissatisfaction level with employed pharmacists holding a 10% higher dissatisfaction rate than owner/owner managers. This may be due to heightened belief by owners that they are now capable to deliver on the 6CPA, however interestingly the frontline pharmacists who will be implementing these services are not so satisfied.

EXPERT COMMENTARY

“With owners’ satisfaction much higher, a greater difference between pharmacies manager/in charge and employed pharmacists would have been expected. The managers have to buy into the owners’ business model if it is to be implemented successfully.”

John Montgomery

“It is interesting to see the contrast of sentiment between owners, managers and employed pharmacists. I believe that remuneration structures around employed pharmacists will need to be reviewed to ensure overall business performance is aligned with the owner. The pharmacy manager is a key stakeholder in this implementation and should be incentivised accordingly. It is clear to see that owners are seeing the economic uplift through executing and leveraging 6CPA initiatives.”

Cameron Ziebell

“The difference in level of satisfaction between different types of pharmacist create a challenge for the profession”

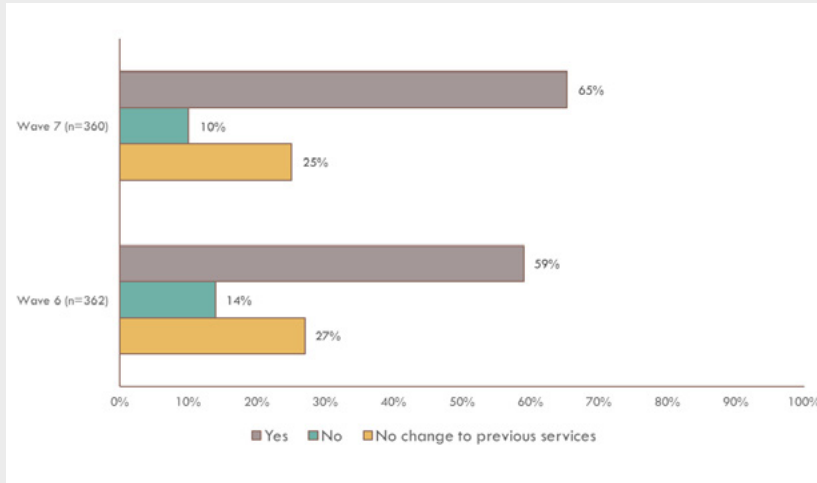
Charlie Benrimoj

“Owners and managers are happy obtaining more funding for the older CPA remunerated services while employees remain disappointed that their professional and remuneration opportunities have again been ignored.”

Warwick Plunkett

“In the last year, has your pharmacy started to implement new professional services?”

Figure 12: Implementation of professional services (n=360)



“The change to adopt professional services has really started and is widespread. Should we now be asking the question on quality of these services and whether they are providing positive patient health outcomes?”

Charlie Benrimoj

“The small change in service provision increase is disappointing with vaccination the main additional service to those of the CPA. However slowly, slowly moving in the right direction.”

Warwick Plunkett

In the previous twelve months 65% of pharmacists have started to implement new professional services up 6% on 2016 values. Only 10% of pharmacists are not delivering new services and one quarter continues to deliver the same services as in the previous twelve months.

This highlights that the profession is changing its practices and hopefully beginning to realise the financial and professional benefit of service implementation and its role in maintaining the viability of pharmacy. Despite the general neutral stance adopted by pharmacists in regards to the 6CPA; provision of pharmacy services and the implementation of new pharmacy services is occurring widely.

“Which services has your pharmacy started to implement?”

With pharmacists identifying that professional pharmacy services are the greatest opportunity for community pharmacy over the next three years, it is satisfying to see that overall pharmacists are following up their views with action through implementation of such services. Many of these services fall outside the scope of the 6CPA.

When asked to specify which services in particular they were implementing the most common responses included

- MedsCheck
- Vaccinations
- Blood pressure and cholesterol monitoring
- Diabetes services
- Clinical interventions
- Health checks
- Sleep apnoea and CPAP
- Home Medication Reviews
- Medical Certificates
- Compounding
- Health clinics
- Staged supply
- Inhaler technique
- Weight loss clinics/management
- Coeliac testing
- Women's health checks
- Wound care
- Anaemia testing
- DNA testing
- Baby clinic
- Dietician services
- Breast awareness clinic
- Nurse consultations
- Wellness coaching
- Smoking cessation

Many of these professional services are not being guided by professional standards or being assessed for quality.

EXPERT COMMENTARY

“We are seeing a diverse list of services being offered to patients but in many cases there are no national approved guidelines for these services nor are they accredited. Does this pose a need to ensure that there are a set of standards associated with services provided from community pharmacy?”

Charlie Benrimoj

“The list of stated services reflects the broad opportunity that pharmacists still see in this space. However it needs support from PSA for standards and tools plus remuneration to see many of them embedded in daily practice”

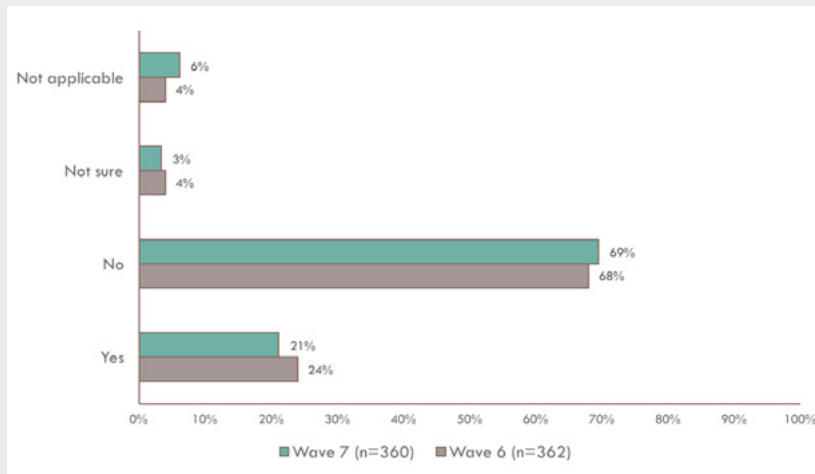
Warwick Plunkett

“Currently we are seeing a concentration in the types of professional services provided around medication management and adherence programs. As new models of digital primary care emerge it will be important to build greater diversification in service offerings. Additionally incentivising staff can be utilised to drive delivery of services”

Cameron Ziebell

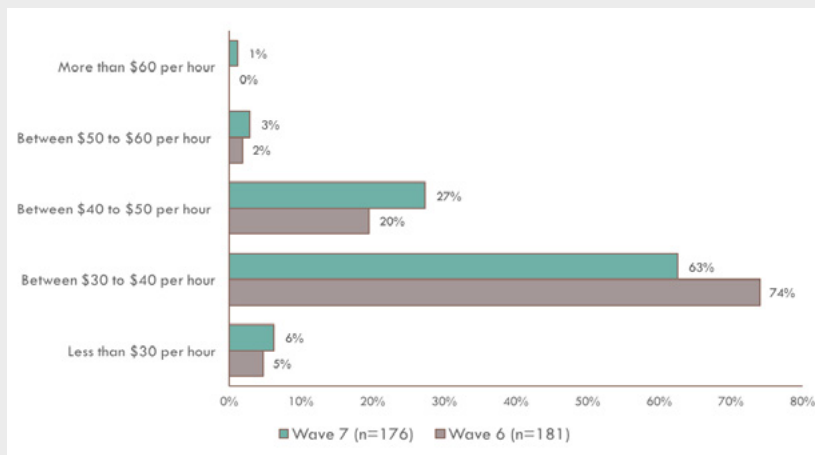
“Has the remuneration level of your pharmacist employee (or if you are an employed pharmacist) changed in the last year?”

Figure 13a: Changes in pharmacist remuneration level in the last year



Interestingly when pharmacists were asked about changes in their remuneration level in the previous twelve months, the vast majority indicated that no change had occurred (69%). Three percent fewer pharmacists indicated that they had received a change in remuneration (21% in wave 7, 24% in wave 6), with the level of non-applicable responses increasing slightly (6% in wave 7, versus 4% in wave 6).

Figure 13b: Remuneration hourly rate of employee pharmacists



From the owners who indicated yes, no or not sure (n=176) they were asked to specify the average hourly rate for employee pharmacists. Overall pharmacists pay rose in the previous twelve months with a greater proportion of pharmacists moving from \$30-\$40 per hour pay category (63% in wave 7, versus 74% in wave 6) to the \$40-\$50 per hour pay category (27% in wave 7, versus 20% in wave 6). With over 90%

earning between \$30-\$50 an hour, findings were consistent across all pharmacy types. Community pharmacy is beginning to experience an upwards shift in pharmacist remuneration; potentially as owners begin to feel the stabilisation of the GCPA and economic and professional satisfaction rises they are now in a position to pass on some of the benefits to employees.

EXPERT COMMENTARY

“There appears to be a slight upward trend in wages but for the majority no change has occurred. The question is whether the stagnation and level of wages is affecting the negative views of employee pharmacists. To me that seems to be the case. If this dissatisfaction occurs it will have negative implications for owners and for the profession”

Charlie Benrimoj

“Pleasing to see a slight upward movement in wages but the levels still remains too low to attract the best and brightest to staying in the profession. Urgent redress remains a priority.”

Warwick Plunkett

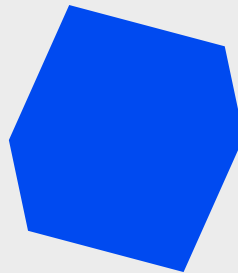


Channels utilised by Community Pharmacy

Channels utilised by Community Pharmacy

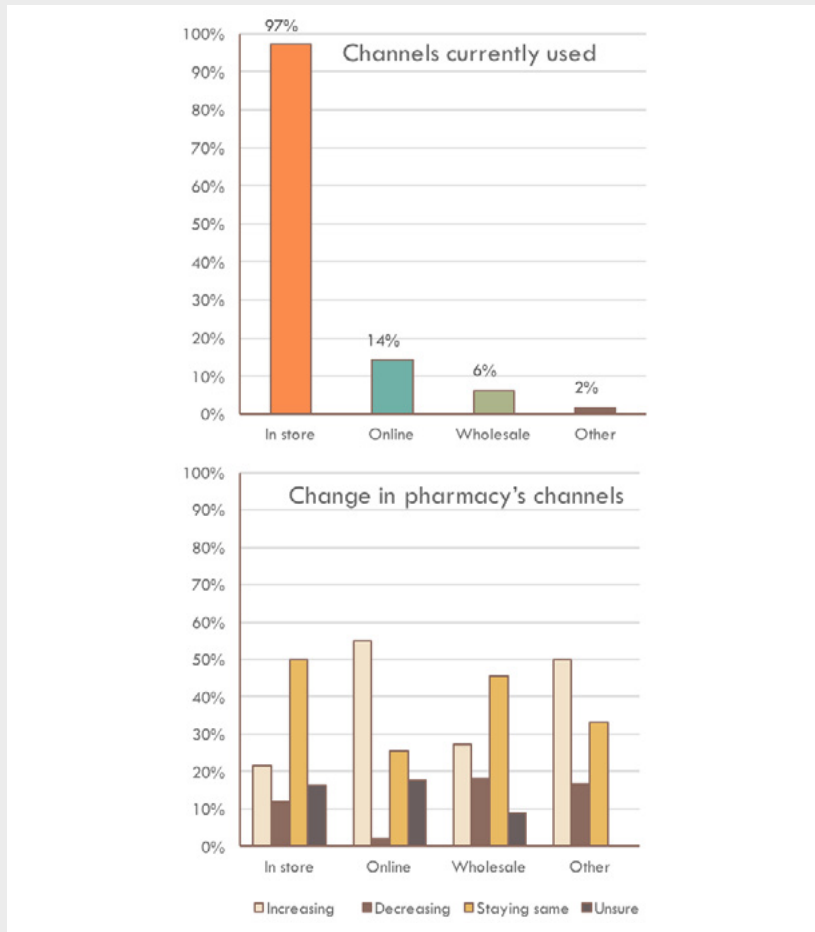
Community pharmacy has consistently suggested that one of its greatest assets is accessibility and personalised services. However one could postulate that Internet shopping could, if the appropriate model was used, easily challenge these value add positions. Customers are accessing their retail and health needs in different ways and places, creating uncertainty and competition in the traditional community pharmacy market. There has been a recent announcement that Amazon was establishing an Australian base. A powerful retail offering that reaches more customer groups may be required to compete with the rise of the technology empowered business and consumers. Research proves that increasing the number of channels used to reach customers will also increase the competitiveness of the offer and the value of your average sale

In this part of the Barometer we are taking a preliminary review of the challenges and reaction of the retailing and professional part of community pharmacy to the rise of internet purchasing and the shifts in customer buying behaviour. The following questions are investigating what channels community pharmacy are using and whether there is a change in business methodology.



“What channels does your pharmacy currently use to sell?”

Figure 14: Channels used by the pharmacy to sell



*Note a combination of multiple channels could be reported

Pharmacists were asked their opinion of the channels they currently utilise to sell products. In-store, face to face channels were the most predominant mode (97%), followed by online (14%), wholesale (6%) and other (2%). When asked about the changing landscape of the channels an increasing online presence emerged (55%) followed by other (50%). The greatest proportion of pharmacists expected their in-store (50%) and wholesale (46%) channels to remain the same in the past twelve months while 12% expected a decrease in in-store and a further 18% expected a decrease in wholesale channels.

Pharmacy represents one of single largest retail networks in Australia. Community pharmacies have traditionally relied on being conveniently located health destinations where customers can come to address their health needs, that may be somewhat time sensitive. However will the growth of online channels affect this and what are pharmacies doing to keep up with the changing landscape? It appears that a relatively small number are developing alternate channels.

EXPERT COMMENTARY

“Almost 20% are saying the wholesale channel is reducing, which would suggest a switch to direct distributors.”

John Montgomery

“In store is still the overwhelmingly highest source of revenue. We do not expect this to change however online sales are increasing at the fastest rate. There is a great opportunity for pharmacy to increase and streamlining their online presence in preparation for the implementation of the ADHA digital health strategy in the coming years.”

Cameron Ziebell

“Online product at a price remains the future only for the discounter model. How to use internet and media channels to promote and implement services remains a challenge.”

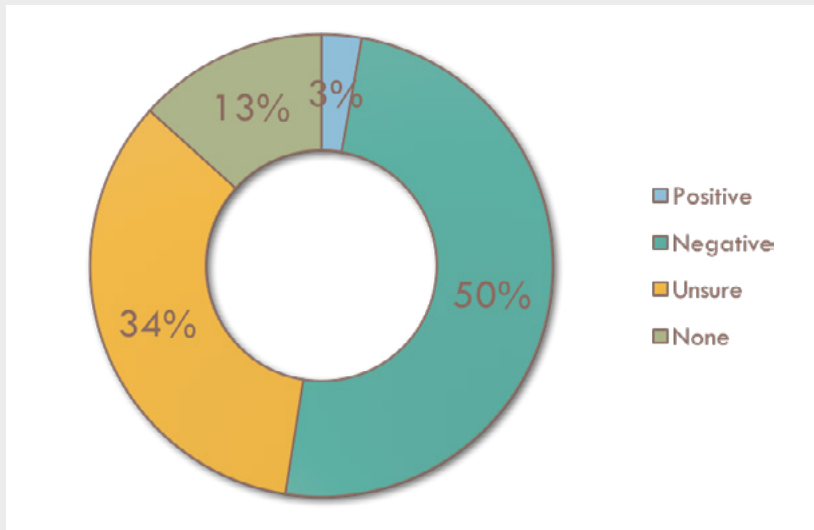
Warwick Plunkett

“I was quite surprised that there were 14% of pharmacies that identified as having online channels. It would be interesting to see the volume of business generated by these 14%”

Charlie Benrimoj

“What impact has the growth of online retailers had on your pharmacy?”

Figure 15: Impact of online retailers (n=360)



Half of all pharmacists believe that the growth of online retailers has had a negative impact on pharmacy, with a further 34% unsure about the impact. However only 14% pharmacies are utilising online strategies to increase their market reach. It appears that those who view online retailers as having a negative effect are not moving fast enough to compete with the online arena.

Moving forward pharmacists may need to focus on and leverage the online trade if they wish to sustain an upward growth trend. Alternatively they may need to further strengthen the offer of a face to face professional service offering differentiating and optimising the purchase process and gaining customer/patient loyalty to the physical environment.

EXPERT COMMENTARY

“If the future is in professional services, that’s better delivered face to face than online.”

John Montgomery

“This area requires some serious strategic thinking by the Guild and PSA.”

Warwick Plunkett

“There is certainly concern in the market with the increase in online retailers. To succeed in the future pharmacy will need to have a clear understanding of their proposition and acute understanding of their customer base to be able to extract maximum value.”

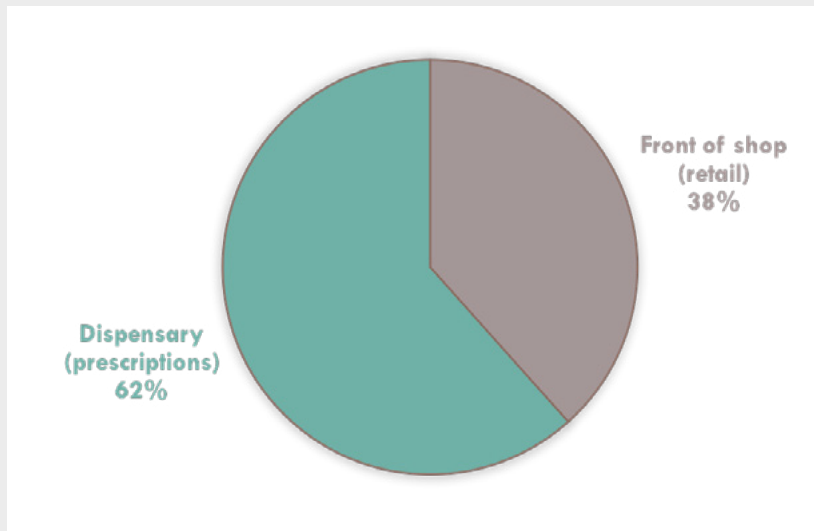
Cameron Ziebell

“Strategically the question is will community pharmacies need online channels to competitively run their business? If so what specific strategies and protocols do they adopt and how do they gain the capacity to compete effectively with the likes of Amazon.”

Charlie Benrimo

“Approximately what proportion of your pharmacy’s revenue is earned through front-of-shop (retail) vs dispensary (prescriptions)?”

Figure 16: Proportion of pharmacies revenue from dispensary versus retail (n=360)



EXPERT COMMENTARY

“Although this shows a change from the traditional 70/30 split, it is surprising given all the downward pressure on PBS prices that the change in favour of front of shop is not greater.”

John Montgomery

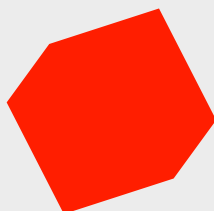
“Interesting to note the big movement away from the total reliance of dispensary income over the past 20 years. The challenge for most is to make the FOS profitable.”

Warwick Plunkett

Majority of pharmacists continue to rely on revenue generated from the dispensary (62%).

However with the growing downward economic pressure from PBS reforms, price disclosure, discounting tactics, tighter wholesaler trading terms, the passing patent cliff and the \$1PBS discount call to question whether the dispensary remains a sufficiently viable revenue stream.

Alternatively some banner group pharmacies have begun to refocus their attention on the front-of-store operations resulting in the introduction of new business practices.





Codeine Debate

Codeine Debate

There has been much debate about the forthcoming potential change of the schedule for codeine preparations to prescription only. The Therapeutic Goods Administration (TGA) has sparked debate after announcing to upgrade codeine so that it is no longer available in non-prescription medications. Following an interim proposal in October 2015 to end over-the-counter access to the drug and reclassify it as a schedule 4, the TGA received 127 submissions in response; 113 opposing the move and 14 in support¹. In the interim decision the TGA expressed concerns about the potential harm caused by inappropriate use of codeine and the availability of effective alternatives.

Main points objecting the up-scheduling:

- Consumers are able to self-manage pain responsibly
- Up-scheduling seen as prevention of accessing pain relief
- Issues with access to/Cost associated seeing GPs
- Alternative medications not seen as effective
- Cost to Medicare
- Benefits of codeine outweigh "morbidity, toxicity and dependence"
- The issue of abuse of prescription codeine verses OTC codeine is not addressed by this scheduling change
- Not able to take Non-Steroidal Anti-Inflammatory Drugs
- The issue of abuse of prescription codeine verses OTC codeine is not addressed by this scheduling change
- There has been no increased demand or change in patterns of use of codeine containing cold and flu products since the up-scheduling of codeine containing analgesics in 2010
- There is no evidence of harm, abuse or dependency associated with codeine containing cold and flu preparations
- Pharmacists are accessible and suitably qualified to implement an effective risk mitigation strategy to address concerns of misuse or abuse
- Introduce system similar to pseudoephedrine/introduce real time monitoring/reporting system
- Suggest reducing pack size

Main points supporting the up-scheduling:

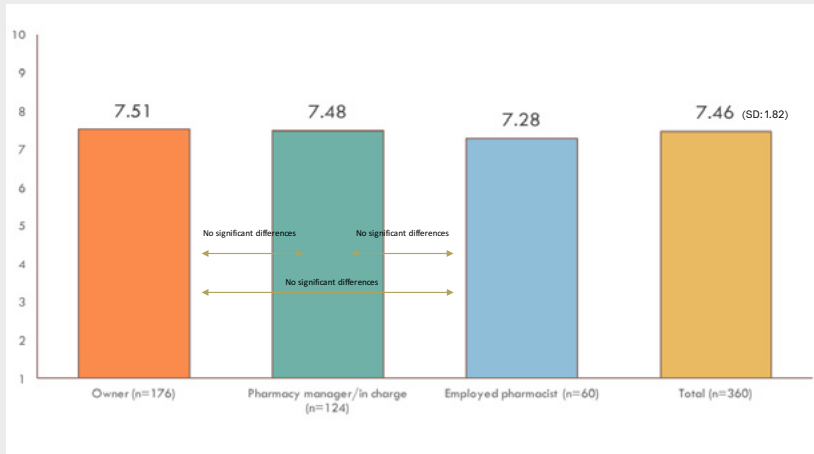
- Seen too many addicts and health problems associated with OTC codeine
- Ease of access to OTC codeine
- Other effective alternative medication available
- Arguments regarding increased cost to public purse are disingenuous as there are alternative analgesics on the market
- Good evidence now demonstrates that under current arrangements (Schedule 3 Pharmacist Medicine) there is a substantial level of harm from the easy and widespread availability of these opioid medicines
- Personal accounts of family members addicted to codeine, abusing OTC analgesics and cough syrup

In December 2016 a final decision was made; from 1 February 2018, an amendment to the Poisons Standard will occur specifying that all medicines containing codeine will no longer be available without a prescription.

¹Therapeutic Goods Administration, 2017, Codeine Information Hub, <<https://www.tga.gov.au/codeine-info-hub>>

“What level of comfort do you have in using MedASSIST?”

Figure 17: Comfort using MedASSIST (n=360)



EXPERT COMMENTARY

“With the use of MedASSIST as the likely tool for identifying opioid addicts, it is pleasing to see such a high level of comfort in its deployment. Mandating for all pharmacies is a likely scenario in the next 5 years.”

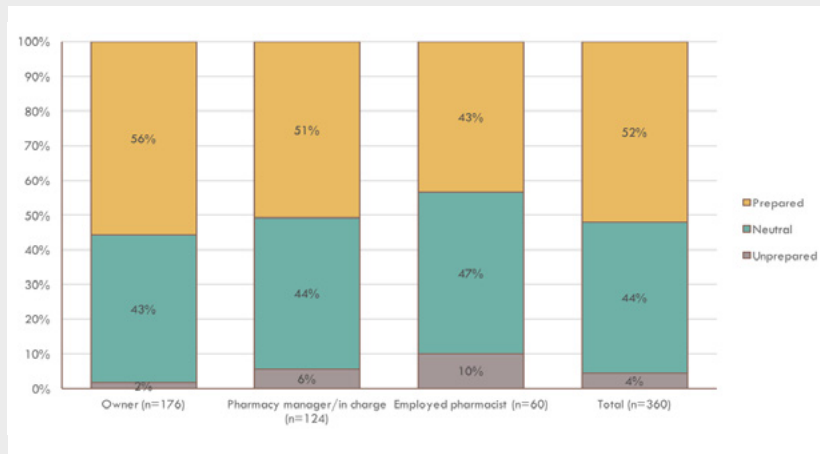
Warwick Plunkett

MedASSIST is a clinical decision support tool, with a focus on patient care and patient pain management support pathways designed to help pharmacists identify patients who are at risk of codeine dependence. It facilitates access to suitable referral pathways to support patients to better manage their pain and enhance health outcomes.

Overall the profession perceives itself (7.46 out of 10) to be able to use the MedASSIST program. About half the profession (54%) are comfortable using the MedASSIST program to monitor codeine usage in patients. However there is still 46% of pharmacists who are neutral (38%) or uncomfortable (8%) using the program. If the clinical decision support tool is to be effective it is imperative pharmacists are comfortable integrating it into their usual workflow. There are no statistical differences between pharmacist types.

“How well prepared are you to deal with OTC codeine abuser?”

Figure 18a: Perceived preparation to deal with OTC codeine abuser (n=360)



EXPERT COMMENTARY

“Roughly half of all pharmacists feeling adequately prepared seems low. What else can be done to prepare?”

John Montgomery

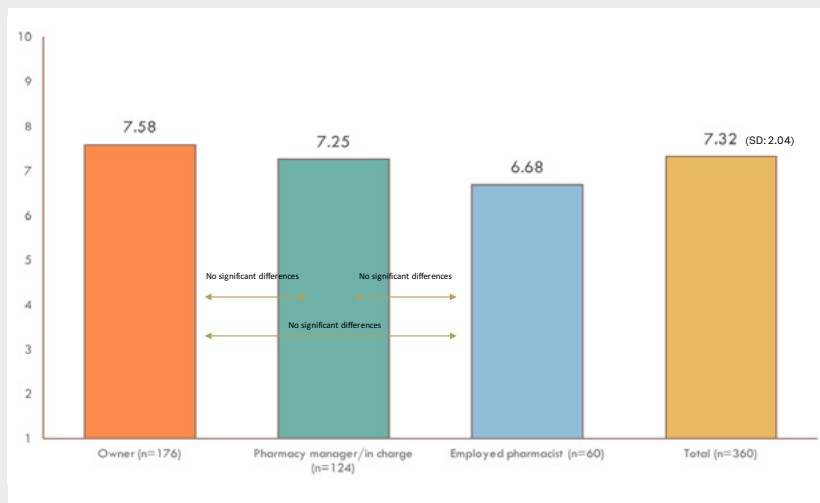
“Whether or not codeine is rescheduled the level of preparedness of front-line community pharmacists needs to be improved.”

Charlie Benrimoj

“Given their frontline position, it is essential that pharmacists receive more assistance in preparing them for this specialist counselling role. Pleasing to see half of the pharmacists already feel comfortable here.”

Warwick Plunkett

Figure 18b: Average confidence in preparation to deal with OTC codeine abuser (n=360)



Half of all pharmacists (52%) believe they are adequately prepared to deal with a patient who is abusing over the counter codeine use. However employed pharmacists, who are at the frontline of patient engagement and interaction, feel the most unprepared or neutral (57%) while owner/owner managers feel the most prepared (56%).

Significant statistical differences were found between owner/owner-manager (7.58) and employed pharmacists (6.68) level of confidence, with no statistical differences seen between owner/owner-manager and pharmacist-manager/pharmacist in charge or employed pharmacists and pharmacist-manager/pharmacist in charge. With the rising concern of addiction to and misuse of codeine containing products it is imperative that government funded programs that are currently being offered by the professional organisational are implemented effectively.



Primary Health Care Networks

Pharmacists Interaction with Primary Health Care Networks

Primary Health Networks (PHN) have been established with the key objectives of increasing the efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes, and improving coordination of primary health care to ensure patients receive the right care in the right place at the right time².

The Australian Government is committed to delivering an efficient and effective primary health care system through the establishment of PHNs. Team-based models of primary health care have emerged in response to growing health system demands created by increasingly complex patient needs. Such models are correlated with improvements in equity, access, and lower costs, as well as improvements in population health³. Evidence indicates that health systems with strong integrated primary health care at their core are both effective in improving patient outcomes and experiences and efficient at delivering appropriate services where they are needed most.

On 1 July 2015, 31 PHNs were established' funded a total of approximately \$900 million, replacing 61 Medicare Locals that had previously evolved from the 112 Divisions of General Practice Program. PHNs are 'outcome focused' aiming to deliver better frontline services for Australians over time by improving the links between local health services and hospital care, and through better targeting of available funding on effective health programmes. PHNs achieve these objectives by working directly with general practitioners, other primary health care providers, secondary care providers and hospitals to facilitate improved outcomes for patients.

The Government has agreed to six key priorities for targeted work by PHNs. These are mental health, Aboriginal and Torres Strait Islander health, population health, health workforce, eHealth and aged care.

Community pharmacies are generally local based health service and product providers therefore their involvement and use in primary health care delivery is obviously important. The impact of PHNs on professional and financial future of community pharmacy should be of interest to the profession.

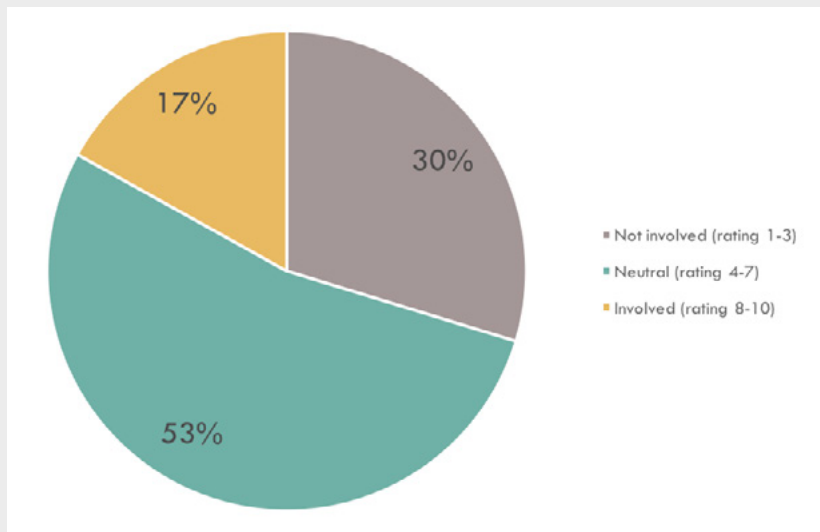
¹ Suppl 3: 22-25

² Australian Government, Department of Health, 2016, Primary Health Networks, < <http://www.health.gov.au/internet/main/publishing.nsf/Content/PHN-Home> >

³ Naccarella L et al. A framework to support team-based models of primary care within the Australian health care system. MJA Open. 2012; 1 Suppl 3: 22-25

“What is your level of involvement with your local primary health care network?”

Figure 19: Relationship with Primary Healthcare Networks (n=360)



* Average rating on a scale from 1 to 10: 5.07 (SD: 2.61)

EXPERT COMMENTARY

“Unless immediate actions are taken, community pharmacies will be left out in the cold and not be integrated with other providers in the Primary Healthcare network.”

Charlie Benrimoj

“This result would be expected given the lack of facilitators in bringing PHNs and Community Pharmacy together. Given its importance particularly from a remuneration viewpoint this remains a major priority for PSA and the Guild to redress.”

Warwick Plunkett

Seventeen percent of pharmacists indicated that they were involved to some extent with local Primary Healthcare Networks, with 53% remaining neutral and a third not involved at all. It is apparent that a small group of pharmacies have realised the importance of PHNs to their future.

What may be of concern is that 83 of responders (53% neutral and 30% not involved) appear not to be involved at all with development and decision-making in an organisational structure that is envisaged to significantly affect their practices and business.

The view from pharmacy

Pharmacists were asked to comment about their involvement with local primary healthcare networks.

COMMENTS FROM THOSE WHO WERE INVOLVED WITH LOCAL PRIMARY HEALTHCARE NETWORKS

“Patient care plans with medical profession”

“Local health service meetings”

“Working in collaboration with Aboriginal healthcare worker”

“Phone calls and conferences with different allied health in the area”

“Participation in local drug and alcohol committee”

“Well connected with local healthcare providers e.g. dentists, physiotherapists, GPs”

“High levels of inter-professional collaboration”

“Cross referrals, we go to their meetings and lectures”

“Liaise with doctors, hospitals and referral channels to different healthcare professionals”

“Regular communication between doctors and healthcare professionals in the area”

“Strong involvement in mental health area, community organisations and government run areas”

“Team care arrangements”

“What level of impact do you feel that the Primary Health Care Networks will have on your pharmacy?”

Figure 19a: Level of economic impact (n=360)

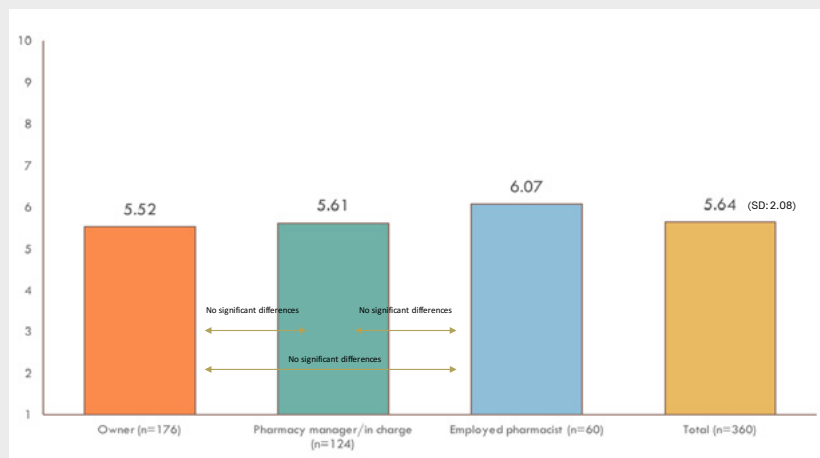
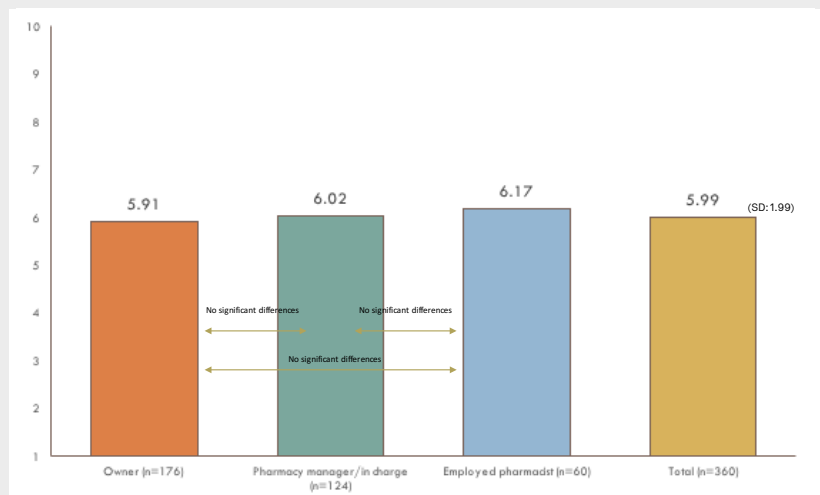


Figure 19b: Level of professional impact (n=360)



Pharmacists overall remain neutral about the level of professional (5.99) and economic (5.64) impact PHNs will have on their pharmacy. Remarkably employed pharmacists were most likely to believe that PHNs would have a professional (6.17) and economic (6.07) impact whereas owner/owner-managers were least likely to believe (5.91 professional and 5.52 economic); could this be due to the fact that employed pharmacists are already working and engaging with PHNs in their daily practice while owners are unsure about the implications it has to their business model.

In general all pharmacist types seem to be unaware of how PHNs will affect pharmacy professionally and economically. While PHNs, and similar organisations at an international level, provide an opportunity to formalise and integrate community pharmacies professional service in a more structured way into the primary healthcare system. A key challenge faced by pharmacists is how to go about integrating and linking to the primary healthcare and other sectors. Possibly until this is resolved a state of unknown exists in regards to the economic and professional impact they will play.

EXPERT COMMENTARY

“PHNs don’t seem to generate much excitement probably because of the small number of pharmacists involved to date. Given its potential impact, is more information needed?”

John Montgomery

“The establishment of PHNs is the major primary health care policy for the reform of primary care. The question is where does community pharmacy fit? At the moment, apart from a few active individuals, we are not seeing much movement.”

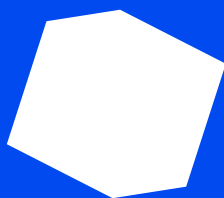
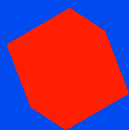
Charlie Benrimoj

“We are seeing some great examples of pharmacists working with PHN’s to achieve better patient outcomes as well as revenue uplift. As the health system moves toward integrated care delivery and with the introduction of different funding models, this is an area of great opportunity for pharmacy to engage at a deeper level with their communities.”

Cameron Ziebell

“Lack of awareness by community pharmacy of the professional and financial opportunities remains the big issue.”

Warwick Plunkett



Biosimilars



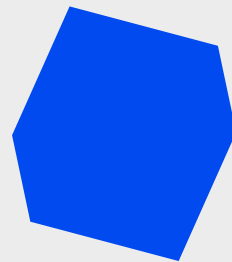
Biosimilar Medicines

A biosimilar medicine is a highly similar version of a reference biological medicine. The reference biological medicine is the first brand to market⁴.

Biological medicines, including biosimilars, are used to treat serious diseases such as rheumatoid arthritis, inflammatory bowel diseases such as ulcerative colitis and Crohn's disease, cancer, diabetes, multiple sclerosis, kidney disease and severe psoriasis, and for treating infertility. The introduction of biosimilar medicines encourages competition in our Australian market leading to a reduction in the cost of medicines, and savings to the healthcare system. These lower prices improve affordability of, and access to new treatments for seriously ill patients.

Biosimilar medicines have been used for over 10 years and are now used in over 60 countries. The medicines have been assessed to have no clinically meaningful differences and are therapeutically equivalent to traditional medications.

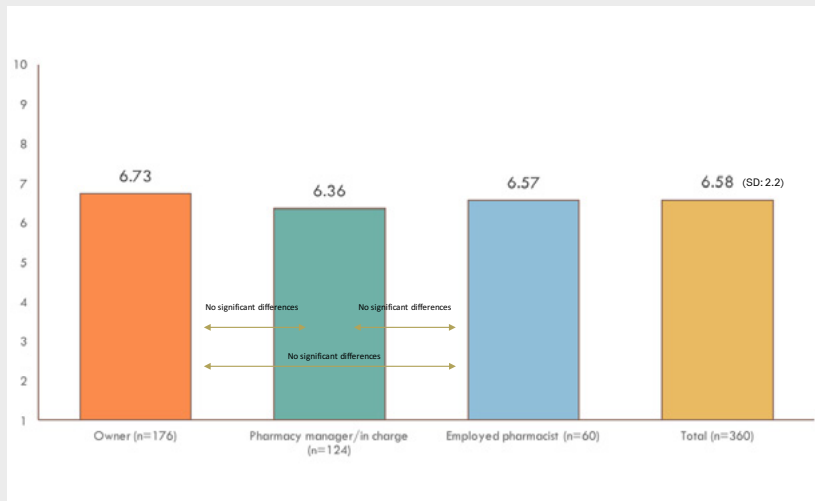
The Biosimilar Awareness Initiative was announced in May 2015 as part of the Pharmaceutical Benefits Scheme Access and Sustainability Package. The aim of the Initiative is to support awareness of, and confidence in, the use of biosimilar medicines for healthcare professionals and consumers.



⁴ Australian Government, Department of Health, 2017, Biosimilar Awareness Initiative, <<http://www.health.gov.au/internet/main/publishing.nsf/Content/biosimilar-awareness-initiative>>

“What is your level of comfort providing information to patients on their uses?”

Figure 20: Comfort level providing information to patients (n=360)



EXPERT COMMENTARY

“Given that biosimilars are still in their infancy with respect to community pharmacy, their level of confidence is hardly surprising.”

John Montgomery

“Generally there appears little concern by pharmacists in substituting biosimilars. I suspect this may be a case of blissful ignorance of the issues rather than trust in the Government assurances when extra profits are concerned.”

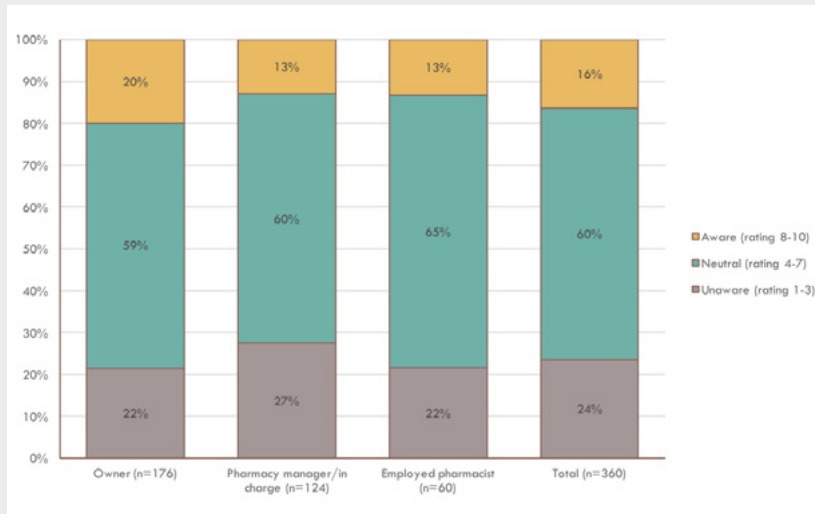
Warwick Plunkett

The question was posed to pharmacists to gauge awareness of their confidence in educating patients on the use of biosimilars. The results show that 37% of pharmacists are comfortable, 53% are neutral and 10% are uncomfortable. Level of comfort appeared to increase with increasing authority and decision making power held; with owner/owner-managers being the most confident (45%) followed by pharmacy-manager/pharmacist in charge (31%) and employed pharmacists (28%). Seemingly, however owner/owner-managers also had the highest rate of those who were uncomfortable (11%) compared with pharmacy-manager/pharmacist in charge (9%) and employed pharmacists (8%). Overall no significant differences were seen between the three groups of pharmacists', all holding an overall neutral opinion (6.58 out of 10, (SD: 2.2)) about their comfort in providing information to patients on the use of biosimilars.

The availability of biosimilar medicines provides greater options for prescribers and patients, however in order to maintain optimal patient safety and health outcomes the provision of common messages and tailored patient information needs to be provided in a judicious and rigorous manner. Currently pharmacists are not displaying ideal comfort levels in facilitating this message. If pharmacists are to play a key role in educating patients and facilitating biosimilar substitution at the local level then the data obtained suggests that educational and behavioural program need to be put into place.

“What is your level of awareness of ‘Department of Health Biosimilar Awareness Initiative’?”

Figure 21: Level of awareness of the Department of Health Biosimilar Awareness Initiative (n=360)



* Note: Scale from 1 (unaware) to 10 (aware)

In May 2015, the Department of Health initiated the 'biosimilar awareness initiative', to support awareness of, and confidence in, the use of biosimilar medicines for healthcare professionals and consumers. Pharmacists were asked to indicate the level of awareness they held in regards to the existence and use of this scheme. Seventy-four percent of all pharmacists were neutral (60%) or unaware (24%) about the initiative with only 16% being aware.

Owner/owner-managers demonstrated the highest level of awareness (20%) while pharmacy-manager/pharmact in charge and employed pharmacists held the same familiarity (13%). Similar values were held across all pharmacist types with no statistical differences seen between groups, inidcating a neutral perception (5.23, (SD:2.43)) of the program. It appears greater effort needs to be made to ensure pharmacists know what resources are available to them to assist with biosimilar substitution and provision of information to customers.

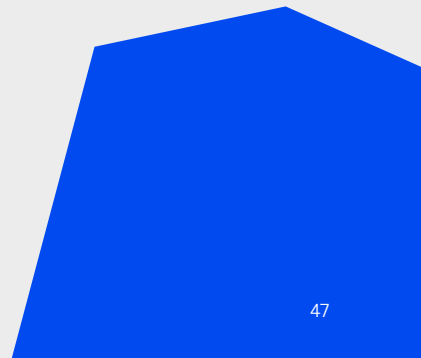
EXPERT COMMENTARY

“The low level of awareness is disappointing. Pharmacists clearly need more help in this area.”

John Montgomery

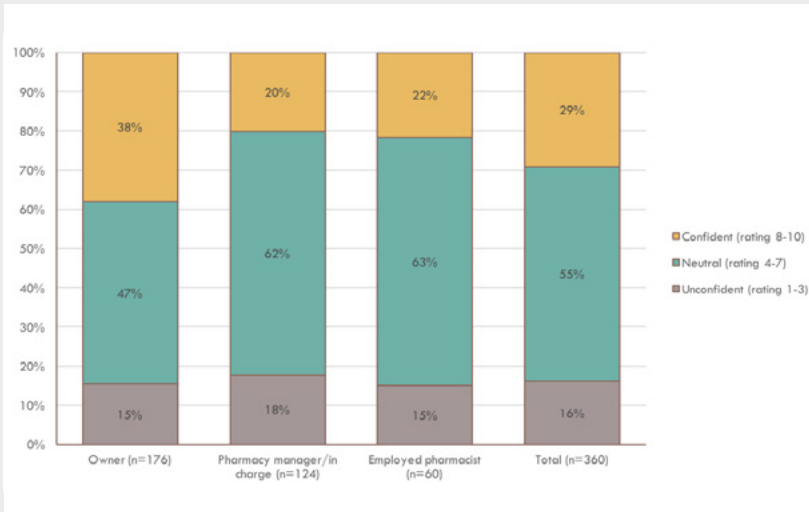
“I don’t think the Government has caught the attention of pharmacists on this issue yet and the public remains blissfully unaware.”

Warwick Plunkett



“What is your level of confidence on substitution?”

Figure 22: Level of confidence on biosimilar substitution (n=360)



* Note: Scale from 1 (unconfident) to 10 (confident)

While 37% of pharmacists were comfortable providing information to patients about biosimilars only 29% are confident in substituting biosimilars. Again owner/owner-managers expressed the highest degree of confidence in substitution (38%) followed by employed pharmacists (22%) and pharmacy-manager/pharmacist in charge (20%).

Still an alarming 71% are neutral (55%) or not confident (16%), with the average level of awareness showing no statistical differences between pharmacist type and remaining neutral at 6.01 (SD: 2.37). Pharmacists understand they have a fundamental responsibility for patient safety and contributing to patient health outcomes. Could it be that they are somewhat hesitant given their relative newness or that they require further education and training?

EXPERT COMMENTARY

“With less than a third confident in substituting biosimilars, this does not bode well for their widespread use.”

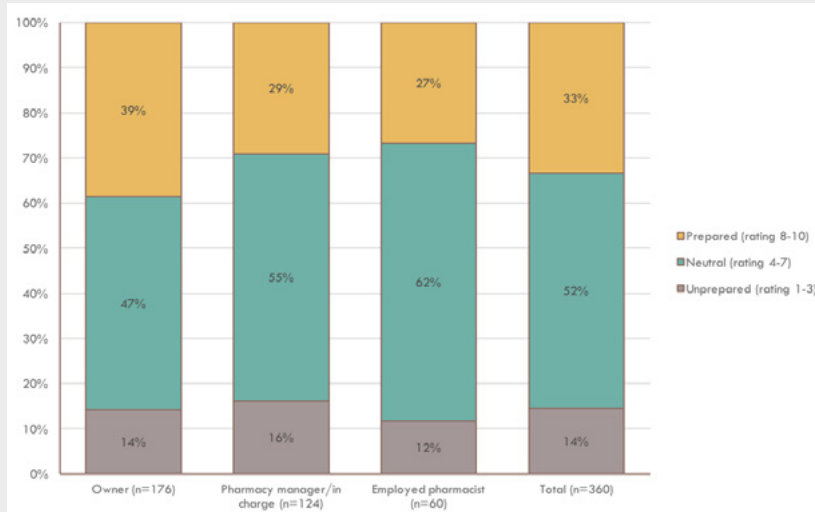
John Montgomery

“Again a reflection of limited knowledge in this space.”

Warwick Plunkett

“What is your overall level of preparedness to dispense to new patients?”

Figure 23: Level of perceived preparedness to dispense biosimilars (n=360)



EXPERT COMMENTARY

“Overall the clear message is that while some pharmacists feel confident, most don’t feel well prepared for biosimilars which should be a wake-up call for stakeholders.”

John Montgomery

* Note: Scale from 1 (unprepared) to 10 (prepared)

One third of pharmacists (33%) are prepared to dispense biosimilar medications to new patients, suggesting that those who are comfortable providing information to patients (37%), are also confident in biosimilar substitution (29%) and prepared to dispense biosimilars to new patients (33%). The trend continues to follow suit with owner/owner-managers being the most prepared (39%) followed by pharmacy-manager/pharmacist in charge (29%) and employed pharmacists (27%), still pharmacists remain neutral in their perceived level of preparedness to dispense biosimilars (6.29 (SD:2.4)).

There appears to be a small group of pharmacists who are confident in and realise their role in pharmacovigilance activities; capitalising on their medicines expertise and frontline health professional role. Pharmacists must have explicit roles to support an outcome focused pharmacovigilance system for all medicines, in particular biosimilar medicines. With majority of pharmacists remaining neutral in their confidence and preparedness to deal with biosimilar medicines, it raises the question of whether we need to build the capacity of pharmacists to handle biosimilar medicines in community pharmacy.

Conclusion

The seventh UTS Pharmacy Barometer of September 2017 shows that;

- The UTS Pharmacy Barometer™ was 96.4 the highest in the history of the barometer; indicating a fairly neutral attitude within community pharmacy at present, however confidence continues to rise, increased 5% in the past year.
- Pharmacists feel more financially and professionally secure compared with 2016 under the Sixth Community Pharmacy Agreement, after becoming accustomed to the terms of the agreement and putting measures in place to increase their service offering fully utilising 6CPA agreement services.
- Pharmacists are concerned about the negative impact of online retail channels, but continue to predominantly utilise in-store measures as their predominate mode of selling.
- A strong level of confidence in using MedASSIST and dealing with OTC codeine abusers exists.
- Pharmacists remain neutral in their opinion of how involvement with PHNs will impact them financially and professionally.
- The large majority expressed neutral views about their confidence and preparedness in the provision of biosimilar medicines.

In contrast to wave 6 in 2016, wave 7 of the UTS Community Pharmacy Barometer shows a positive increase in the optimism and confidence in the future amongst community pharmacists, while many pharmacists continue to hold neutral views on key elements of the 6CPA the overall sense of optimism and confidence is slowly rising.

Optimism remains higher than that experienced in wave 3 in 2013 and wave 4 in 2014 where dramatic increases in concern for the financial stability of the profession were expressed due to Expanded and Accelerated Price Disclosure (EAPD) which had pharmacies suffering financially. Price reductions are projected to continue, however, the Sixth Community Pharmacy Agreement has made substantial changes to the structure by which the dispensing function is remunerated and incorporated funding for professional services to help counter future losses. Since the introduction of the 6CPA pharmacists' confidence continues to rise with pharmacists now becoming accustomed to the terms of the agreement.

Pharmacists remain neutral across most topic areas; however express stronger positivity towards the 6CPA than seen previously. Decision makers appear to be significantly more satisfied professionally and economically with the implications of the 6CPA moving forward when compared with employed pharmacists. While overall neutrality exists, pharmacists are continuing to increase their service provision offering, with many realising this as being imperative for future viability. With employee pharmacist wages increasing in the previous twelve months, it appears the trickle-down effect of the 6CPA may be starting to become apparent.

Concern over the growth of online retail channels was strongly felt; however slow adoption of online channels and continued reliance on dispensary sales as the main source of revenue is doing little to combat this rise. Less uncertainty exists compared to twelve months ago, however the continued neutral stance by pharmacists across the suite of topics results in a failure to capitalise on opportunities like the collaboration and interaction with local primary healthcare networks and biosimilar substitution. There appears to be a need for greater support in facilitating these opportunities.



REPORT WRITTEN BY:
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