



# Pharmacy Barometer

November 2018

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# Background

## UTS Pharmacy

UTS Pharmacy was established in 2011 to address 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 three Masters by coursework degrees, two leading to eligibility to register as a pharmacy intern – Master of Pharmacy and Master of Pharmacy (International) – as well as 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.

## IQVIA

IQVIA are committed to bringing clients the best in creative problem solving, enabling healthcare companies to innovate with confidence, maximize opportunities, and ultimately drive human health forward. Human Data Science is a new way for life sciences companies to rethink the future of healthcare. By applying data science to the continuous advancement of human science, decisions become more precise. More relevant. Even more creative. Everything IQVIA do is powered by the IQVIA CORE – a holistic approach that brings together exceptional domain expertise, analytic rigor, technological innovation and unparalleled data to reframe old challenges into new opportunities.

# The growing environment of challenge for Australian pharmacies

Community pharmacy plays a pivotal role in providing primary healthcare and delivering a range of services to the community. No significant changes in government reform impinging community pharmacy have occurred since the release of the 2017 UTS Pharmacy Barometer. Professionally, within some pharmacy settings the role of the pharmacist has expanded to a more services oriented position with changes in legislative requirements expanding the facilitation of vaccination services across some States and Territories. Streamlining of the General Practice Rural Incentives Program (GPRIP) and the Practice Nurse Incentive Program (PNIP) into a single Workforce Incentive Program (WIP) will provide financial incentives to support eligible general practices to engage non-dispensing pharmacists. Discussion continues around the implementation of an integrated role for pharmacists practicing to their full scope and with discussions regarding the Seventh Community Pharmacy Agreement (7CPA) soon to commence the Pharmaceutical Society of Australia have been named signatories for the first time.

Two national reports generated by key industry bodies may have an interesting impact on the future of pharmacy practice. The Pharmaceutical Society of Australia's report "Pharmacists in 2023" and The Pharmacy Guild of Australia's project "Community Pharmacy 2025" propose plans for the future of pharmacy highlighting key actions that need to be enabled to unlock opportunity for pharmacists. These plans demonstrate the indispensable role pharmacists provide and their integral part in the Australian healthcare system, supporting the diversification of the pharmacists' role and practice at full scope.

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 Networks (PHNs)
- Coordination and integration of primary care providers
- Wholesaler terms and conditions
- 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
- 6th Community Pharmacy Agreement
- Biosimilars

The 6th 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 a continuing 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 \$600 million 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's role in primary health" within the PHNs and a commitment to the continuation of community pharmacy location rules "... beyond 6CPA".

# The UTS Community Pharmacy Barometer™

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 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 \$18 billion industry is thinking and how it is likely to evolve.

The UTS Pharmacy School and IQVIA developed the Community Pharmacy Barometer in response to industry challenges and perceived gaps in knowledge about the impact these upcoming changes may have on community pharmacy businesses and professional practice.

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 impact 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, UTS Graduate School of Health Head of Discipline, Pharmacy and Professor of Pharmacy Practice, Professor Kylie Williams, UTS Adjunct Professor John Montgomery, Warwick Plunkett, Pharmaceutical Society of Australia (PSA) Director and UTS Senior Lecturer Victoria Garcia Cardenas.

# Methodology and Analysis

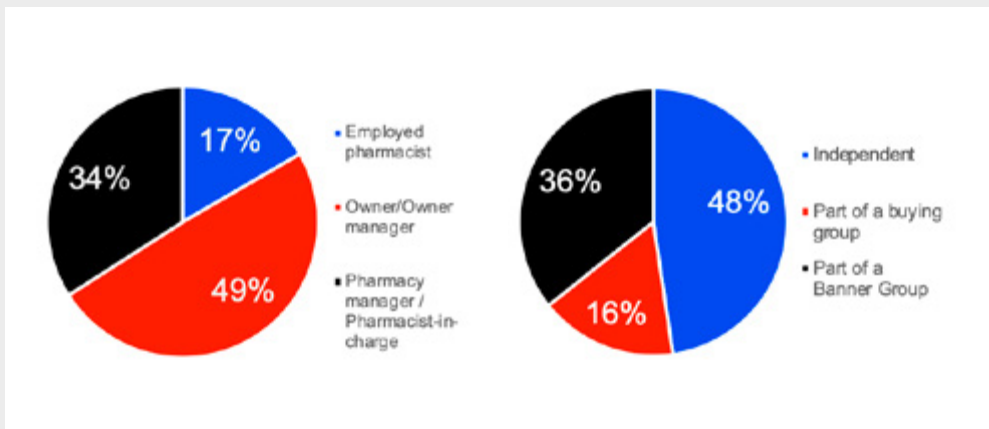
The questions were designed to assess the confidence of pharmacists in their business in the short (one year) and medium-term (three years). The first wave report was completed in April 2012 with the additional topic focusing on Expanded and Accelerated Price Disclosure (EAPD). One of the most interesting 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, focusing 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. The seventh wave (2017) of the barometer in addition to addressing effects of the Sixth Community Pharmacy Agreement, also conducted analysis on the up-scheduling of codeine, pharmacist wages, pharmacist involvement with primary health networks and use of biosimilars in the community pharmacy environment. In this the eighth wave of the barometer (2018), continuation of the effects of the Sixth Community Pharmacy agreement are examined alongside the emerging role of the community pharmacist as professional service providers through examination of collaboration with General Practitioners and pharmacists providing vaccination.

The 2018 survey for UTS Community Pharmacy Barometer™ was created in collaboration - with IQVIA and the University of Technology Sydney pharmacy expert panel.

Data collection occurred in October 2018, with an invitation to participate in the online survey emailed to the pharmacists on the IQVIA 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 (48%), banner (36%) or buying group (16%).

Figure 1: Type of Pharmacy and Role in the Pharmacy (n=361)

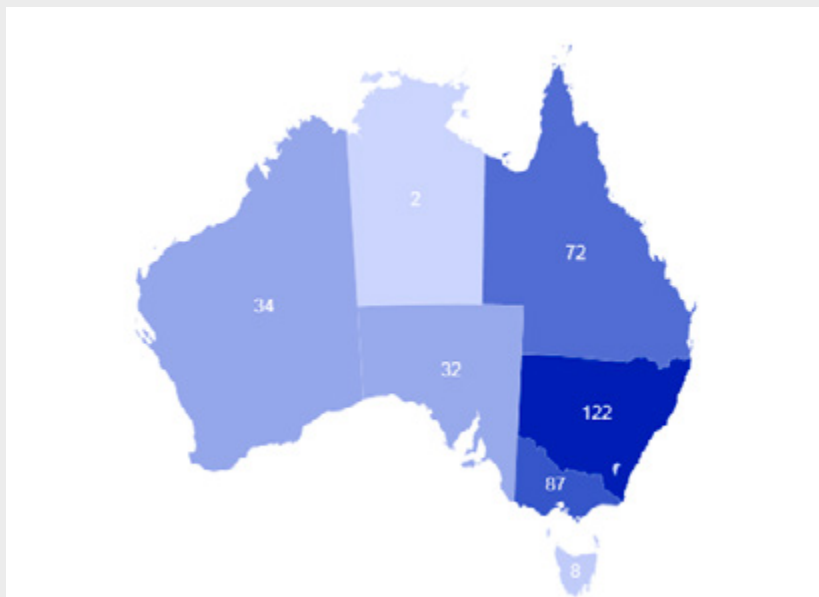


A sample of 361 pharmacists were surveyed in 2018 in order to have  $\pm 5\%$  marginal error with 95% confidence interval, with the sample being representative of the Australian community pharmacy sector. Open-text questions were coded into themes that could communicate the main topics raised by the 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=301). 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=361)



# 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=301), while the third was asked of all pharmacists (n=361). For the calculation of the Barometer measure, only those who answered all three questions were included (n=243).

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 2018 we have also added questions regarding emerging issues which may affect community pharmacy both professionally and economically. These questions centre on the role and remuneration of community pharmacists, the level of interaction with local General Medical Practitioners, pharmacists providing vaccination services and use of biosimilar medications.



## Role and remuneration of community pharmacist:

1. 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
2. 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
  - Between \$50 to \$60 per hour
  - More than \$60 per hour, specify
3. Is the role of any employed pharmacist dedicated mainly to the provision of non-dispensing professional services?
  - Yes
  - No
4. What is the average hourly rate for employee pharmacists dedicated to the provision of non-dispensing professional services?
  - Less than \$30 per hour
  - Between \$30 to \$40 per hour
  - Between \$40 to \$50 per hour
  - Between \$50 to \$60 per hour
  - More than \$60 per hour, specify
5. How many PBS items in an average week would you dispense?

## Interaction with local General Medical Practitioner:

6. How many times in an average week would you contact a GP?
7. How would you rate your relationship with your main prescribing General Medical Practitioner?

Very Poor	Poor	Neutral	Good	Very Good
1	2	3	4	5

8. What is your level of agreement with the following statements regarding interaction with your local General Medical Practitioner?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Not applicable
	1	2	3	4	5	NA
GPs involve me in decision-making about medications they prescribe						
GPs generally accept my clinical recommendations						
GPs generally accept my role as a medication expert						
GPs think that my job is just to supply medications						
GPs make changes to the prescribing as a result of our interactions						

9. a) Do you support having pharmacists working in GP's surgeries?
- Yes
  - No
  - Not sure
- b) If yes what would be your preferred arrangements?
- Pharmacist employed within GP surgery
  - Consultant pharmacist contracted on a sessional basis by the GP surgery
  - Local community pharmacist contracted on a sessional basis by GP surgery
  - Other ..... (please specify)
10. Do you believe that your local GPs have an interest in you providing sessional clinical services at their surgery?
- Yes
  - No
  - Not sure

## Vaccinations:

11. a) Does your pharmacy provide vaccinations/immunisations in the pharmacy?
- Yes
  - No

b) If you answered yes, please complete the below table thinking about the past 12 months:

Type of vaccination	Estimated number of vaccines per week (average)	If seasonal, the average number of vaccines provided per week during the season	How much do you charge the customer per vaccine, in AUD?
Influenza vaccine			
Pertussis containing vaccine			
Measles, Mumps and Rubella (MMR) vaccine			

12. a) Would you like to see the range of permitted vaccines increase?
- Yes
  - No
  - Not sure

b) If yes please state which vaccines you would like to be permitted?

## Biosimilar medicines:

13. Level of comfort providing information to patients on their uses:

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

14. Level of awareness of "Dept. of Health Biosimilar Awareness Initiative"

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

15. Level of confidence of substitution

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

16. 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 KYLIE WILLIAMS**

**Head of discipline Pharmacy, Graduate School of Health & Professor of Pharmacy Practice**

Professor Williams is a registered pharmacist with more than 20 years of academic experience in teaching and research at both the University of Technology Sydney and The University of Sydney. She has made a sustained contribution to learning and teaching in Pharmacy and has taught students at all levels of study (undergraduates, postgraduates, practicing pharmacists). She has expertise in a variety of areas including evidence-based practice, drug information, pharmacoepidemiology, online health information, and therapeutics, and has a special interest in eLearning. She has extensive experience with the design, implementation and evaluation of curricula, at both the individual subject level, as well as for entire programs. She has received a number of teaching grants, has co-authored teaching-related peer-reviewed journal articles and two professional books, and has written over 80 educational articles for pharmacists. Her teaching efforts were recognised with an Award for Outstanding teaching at The University of Sydney in 2006.



## **ADJUNCT PROFESSOR JOHN MONTGOMERY**

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.



## **DR VICTORIA GARCIA CARDENAS**

**Senior lecturer in Pharmacy Practice, Graduate School of Health**

Dr Victoria Garcia Cardenas (PhD, M Pharm, B Pharm) is a senior lecturer in pharmacy at the University of Technology Sydney (Australia). Member of the Pharmaceutical Care Research Group at the University of Granada (Spain). Her teaching and research interests encompass medication adherence, the evaluation and implementation of professional services and practice change in community pharmacy. She has published over 30 papers in refereed journals, four major research reports and presented and co-authored 50 conference presentations. Victoria is currently involved in five national and international research projects for the evaluation and implementation of professional services in community pharmacy and is supervising twelve PhD students.

# Executive Summary

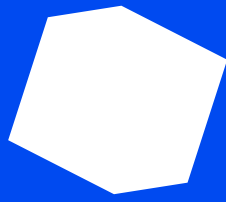
The UTS Community Pharmacy Barometer™ was created by UTS Pharmacy. It is an annual study to track the confidence and opinions of pharmacy owners and employees as well as investigate in depth a key current topic. The topic for this study was the ongoing delivery of the sixth Community Pharmacy Agreement, the expanding role and remuneration of pharmacists, pharmacists' provision of vaccination services, the level of interaction between pharmacists and local General Medical Practitioners and use of biosimilar medications.

The 8th wave of the barometer was conducted in October 2018, with 361 pharmacists responding drawn from the IQVIA panel.

Results were:

- The UTS Pharmacy Barometer™ score was 99.0 out of 200 (a score of 100 represents neutral confidence) indicating community pharmacy confidence has risen again to a point of stable equilibrium.
- The overall confidence has risen 2.6% in the past year. Whilst confidence remains overall neutral the score of 99.0 in this wave represents the highest confidence level in the history of the barometer. Confidence continues to gradually increase year on year. The history of the barometer from initiation in 2012 has demonstrated movement from scores well below 100 (84.8 in wave 1 and 86.0 in wave 2) followed by increasing pessimism about the future viability of the profession in wave 3 and 4 (61.2 in Wave 3 and 68.9 in Wave 4) to a slow increase in the confidence of the industry with year on year increases from wave 6 onwards (85.9 in wave 6, 96.4 in wave 7).
- In response the overall confidence increased from 5.9 in 2017 to 6.1 in 2018. Owner/owner managers displayed the greatest confidence in the future viability of community pharmacy (6.1) followed by employed pharmacists (5.8). Surprisingly pharmacist managers/ pharmacist-in-charge confidence has decreased in the past twelve months (5.4), suggesting the burden of responsibility from financial success and managing the change is falling predominantly on this group of pharmacists.
- The percentage of pharmacists that indicated they believe the value of their pharmacy in the next year will increase remains similar to previous years (20.9% in wave 8 and 20.0% in wave 7), while the percentage of pharmacists who believe the value will remain the same has increased (42.9% in wave 8, up from 38.0% in wave 7). A corresponding decrease in the percentage of pharmacists who believe the value of their pharmacy will decrease in twelve months was demonstrated (26.9% in wave 8, down from 33.3% in wave 7), while those who are not sure remains at approximately 9% (9.3% in wave 8 and 8.70% in wave 7).
- Increasing optimism is highlighted with a further 3.5% of pharmacists' predicting the value of their pharmacy in three years will increase when compared with 2017 values (28.5% in wave 8, versus 25.0% in wave 7). A marked decrease in those believing the value of their pharmacy will decrease (28.2% in wave 8 down from 30.7% in wave 7) or remain the same (26.2% in wave 8 down from 30.0% in wave 7) suggests movement from these categories to increasing in value. Pharmacists may have seen the benefit and stability of the 6CPA and can visualise the potential of the future for pharmacy, including the diversification of roles and the increasing services landscape.
- 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 15.8%, following similar trends from 2017.
- The expected decrease in value in the next twelve months predicted by pharmacists (26.9%) was the lowest expected decrease across all waves of the barometer -14.4%.
- Pharmacists who indicated that the value of their pharmacy would increase in three years, predicted an increase of 18.1%, returning to levels displayed at the initiation of the 6CPA. The expected decrease in value of pharmacies in three years by those that predicted their pharmacies would decrease in value is the lowest yet at -18.0%.
- 2018 showed a potential increase in the remuneration employed community pharmacists received. An additional 9% of pharmacists indicated that their remuneration had increased in the previous twelve months, demonstrating signs of wage growth (30% in wave 8, versus 21% in wave 7). A further two thirds of pharmacists indicated no remuneration change (60% in wave 8, and 69% in wave 7). The hourly rate for pharmacists appears to be slowly rising with 68% (up from 63% in 2017) indicating they earn between \$30-\$40/hour and 30% earning between \$40-\$50/hour, up from 27% in 2017.
- Interestingly, almost 1 in 5 pharmacies (19%) appear to employ a pharmacist mainly dedicated to service provision, with the remuneration of these pharmacists being at a higher hourly rate; 52% earning \$40-\$50/hour and 42% earning \$30-\$40/hour.

- Overall, 91% of pharmacists believe they have a good (34%) or very good (57%) relationship with their main prescribing general medical practitioner, with 8% indicating a neutral rating.
- The concept of pharmacists working in medical practices was generally supported (56%), with employed pharmacists demonstrating the greatest support (77%), followed by pharmacist manager/pharmacist-in-charge (68%). Greatest resistance was demonstrated by owner/owner managers with only 41% supporting the diversification of pharmacists' roles.
- A clear divide between the choice of model of pharmacists working in medical practices was demonstrated with 42% of pharmacists supporting pharmacists employed within the GP surgery and 39% supporting local community pharmacists being contracted on a sessional basis by the GP surgery.
- The provision of vaccination services in community pharmacy is well supported by pharmacists with 59% of pharmacies providing immunisation services. The average cost of the service ranged from \$18 to \$38 dependent upon the vaccine being administered. Sixty percent of pharmacists indicated that they would like to see an increased range of vaccines permitted to be administered in community pharmacy.
- Pharmacists' level of confidence and preparedness to deal with biosimilar medicines has decreased. The level of comfort in providing information to patients is down 4% (33% in wave 8, versus 37% in wave 7), the level of awareness of the 'biosimilars awareness initiative' the same at 16%, the level of confidence on biosimilar substitution down 3% (26% in wave 8, versus 29% in wave 7) and the perceived level of preparedness to dispense biosimilars down 4% (29% in wave 8, versus 33% in wave 7). As the biosimilar market in Australia continues to grow it is evident more needs to be done to improve pharmacist's confidence in the area.



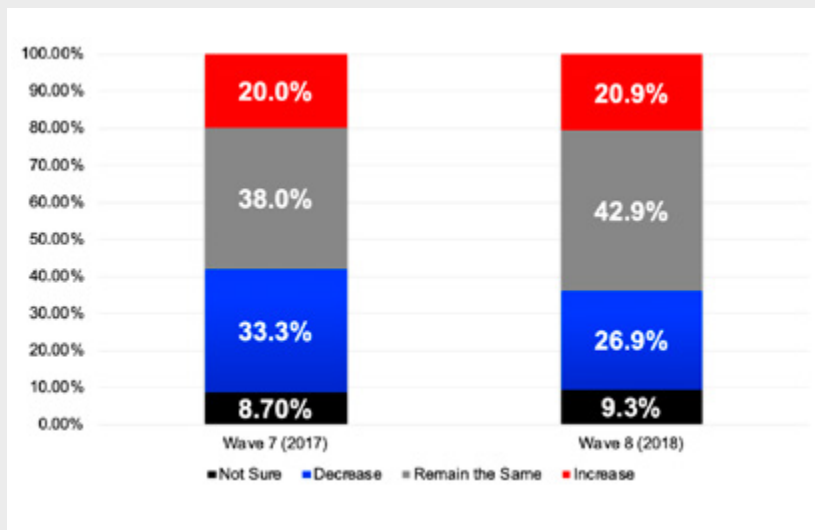
# UTS Pharmacy Barometer 2018



# 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 8: n=301, wave 7: n=300

Wave 8 of the UTS Community Pharmacy Barometer demonstrates no significant changes in the pharmacists' beliefs about the value of their pharmacy in the next twelve months when compared with wave 7 in 2017. Pharmacists' opinions about the optimism of expected increases in the value of their pharmacy remains stable at 20% in wave 7 and 8 up from 16% in wave 6. The previous optimistic shift from wave 3 in 2013 and wave 4 in 2014 has plateaued highlighting a stabilising effect as pharmacists become accustomed to the economic impact of the 6CPA. A higher proportion of pharmacists demonstrate an increased confidence that the value of their pharmacy will remain the same in the next twelve months (42.9% in wave 8 up from 38% in wave 7) or is less likely to decrease in value (26.9% in wave 8 down from 33.3% in wave 7) suggesting a dissipation of fear and belief that they can move forward at the same rate. The percentage that is unsure has remained stable, currently at 9%.

Community pharmacy owners and managers are demonstrating a growing sense of security in the 6CPA, with one fifth of pharmacists projecting an increase in their financial situation in the following twelve months. Additionally, the percentage of pharmacists who believe the value of their pharmacy will decrease in the proceeding twelve months continues to lessen, highlighting the dissipation of fear amongst pharmacists and the increasing opportunities moving forward.

## EXPERT COMMENTARY

“We are starting to see some green shoots on pharmacy valuations with a decrease in those believing their businesses will reduce in value and an increase in remain the same.”

**John Montgomery**

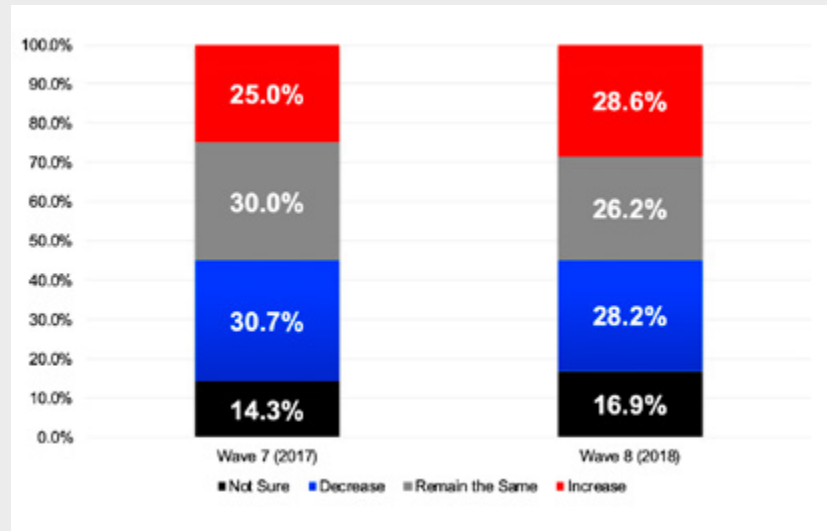
“Pharmacists' fear is dissipating.”

**Warwick Plunkett**

“After a few years of uncertainty, pharmacists are finally feeling more confident about the future of community pharmacy.”

**Victoria Garcia Cardenas**

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 8: n=301, wave 7: n=300

The trend of the stabilisation of pharmacists' financial viability for the next twelve months continues to be supported by pharmacists' predictions of the value of their pharmacies in three years time. In comparison to previous waves (wave 1-wave 8) pharmacists are expecting the lowest likelihood of a decrease in value (28%) and the highest likelihood of an increase in the value of pharmacy (28%) in the next three years. Pharmacists' optimism appears to be on the rise with a trend demonstrating a larger percentage forecasting increases in value (28% in wave 8 up from 25% in wave 7 and 20% in wave 6), and fewer forecasting decreases in value (28% in wave 8 down from 31% in wave 7 and 37% in wave 6).

A slight increase was observed in those who were unsure, returning to wave 6 values (16% in wave 8, 14% in wave 7), while there was a decrease in those that believe their pharmacies will remain the same (26% in wave 8, versus 30% in wave 6), suggesting a move from those who believed a decrease would occur to now remaining the same or increasing in value.

Pharmacists display a sense of confidence in the medium term future. The major shift is from pharmacists believing the value of their pharmacy will remain the same in twelve months to increasing in value at three years time, signifying that pharmacists are looking to the future and are optimistic about the opportunities it holds.





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

Responders who think the value will increase (n=63 in this wave)							
	Nov-12	Sep-13	Aug-14	Sep-15	Sep-16	Sep-17	Oct-18
Average increase	10.0%	17.0%	9.7%	13.1%	21.1%	15.9%	15.8%
Maximum							100%
Minimum							2%

Responders who think the value will decrease (n=81 in this wave)							
	Nov-12	Sep-13	Aug-14	Sep-15	Sep-16	Sep-17	Oct-18
Average increase	-17.0%	-20.0%	-17.7%	-14.8%	-17.7%	-16.0%	-14.4%
Maximum							-60%
Minimum							-1%

Pharmacists remain consistent in their belief about the average expected increase in value of pharmacies in the twelve months between wave 8 and wave 7. However the average increase in value predicted has stabilised at 15% (15.8% in wave 8, 15.9% in wave 7). Additionally, the number of pharmacists who expect to see an increase in the next twelve months has remained similar (n=63 wave, versus n=60 wave 7). Conversely, the number of pharmacists who believe the value of their pharmacy will decrease has reduced by 23%

compared to 10% in wave 7 (n= 81 in wave 8, versus n=100 in wave 7), with the predicted level of decrease its lowest in the history of the barometer at -14.4%.

Increasingly pharmacists are less likely to project a decrease in the value of their business in the ensuing twelve months, with the predicted average decreases the lowest across all waves of the barometer. There is visibility that the industry is stabilising and continuing to move forward in a conservative way.

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

Responders who think the value will increase (n=86 in this wave)							
	Nov-12	Sep-13	Aug-14	Sep-15	Sep-16	Sep-17	Oct-18
Average increase	15.0%	17.0%	16.8%	16.1%	20.4%	17.5%	18.1%
Maximum							200%
Minimum							2%

Responders who think the value will decrease (n=85 in this wave)							
	Nov-12	Sep-13	Aug-14	Sep-15	Sep-16	Sep-17	Oct-18
Average increase	-20.0%	-24.0%	-23.8%	-18.1%	-18.7%	-19.1%	-18.0%
Maximum							-70%
Minimum							-1%

A segregation between the number of pharmacists indicating that the value of their pharmacy will increase in the next three years compared to those believing it will decrease is occurring. One third of pharmacists believe the value of their pharmacy will increase by an average 18.1% over the next three years (n=86) while a further one third of pharmacists believe the value of their pharmacy will decrease by an average -18% over the next three years (n=85). These projections remain similar to previous waves however it appears that there are two clear groups emerging; the optimists, those that are implementing new strategies and executing them to a high standard, and the pessimists, those that continue to do the same things with no new strategies or ways of thinking.

**EXPERT COMMENTARY**

“Every year there is a group of pharmacists who are quite despondent regarding the value of their business. They appear to be beaten and defeated, with no way out.”  
**John Montgomery**

“Pharmacists are struggling to see how they can change things moving forward.”  
**Warwick Plunkett**

“Some pharmacists appear to be seeing the light and are reacting in a positive manner, however there are still pharmacists who see no way forward.”  
**Kylie Williams**

“Pharmacists differentiating themselves within the industry through the implementation of new professional services are seeing improvements to their business performance.”  
**Victoria Garcia Cardenas**

# The view from pharmacy

Pharmacists were asked to indicate the reasons for their predicted change in the value of their pharmacy with responses in 2018 following previous trends.

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## PREDICTED AN INCREASE IN VALUE

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

- Increased service offering
- Population growth/ageing population
- Professional services
- Public awareness of services

“Less price disclosure, landscape is established, role of pharmacists and pharmacy is expanding”

“Not many independent pharmacies anymore and my pharmacy is unique”

“Script growth, better buying”

“We’re focusing on professional services and are integrating with other health professionals”

“Ageing population, better suiting client needs”

“Health services are increasing”

“Better buying, more focus on disease state programs”

“New doctors to the area”

“Changing emphasis of the pharmacy to provide exceptional professional services and expand NDIS supply. Less emphasis on competing price”

“Promoting a lot of sleep apnoea/CPAP, focusing on education of our customers to add value to their experiences”

## PREDICTED A DECREASE IN VALUE

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

- Competition, particularly from discounters
- Government reforms
- PBS cuts
- Deregulation

“Competition in the area”

“Pharmacy PBS reform and competition from chemist warehouse”

“Prospect of deregulation”

“Fewer benefits of generic substitution, poor uptake of services likes vaccinations and MedsCheck”

“Declining margins”

“PBS reform”

“Lowering of profit margin. Intense price competition from discount chemist”

“The increase of discount pharmacy, which gives less profit”

“Demographic change, elderly moving into nursing homes, downsizing. New residences seem to look for price rather than service, so they shop at other outlets”

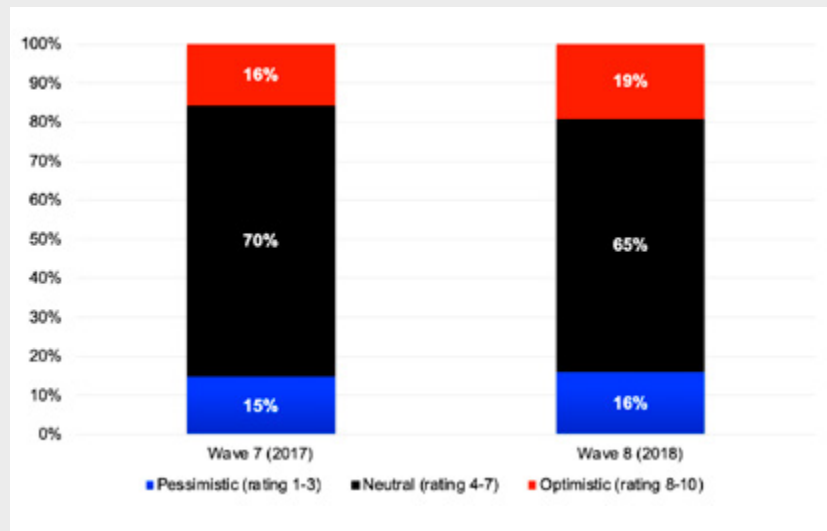
“Fewer prescriptions, smaller wholesaler discounts, online shopping, big box discounters, small rural pharmacies struggle to offer the range of services remunerated by the government”

“Competition from discounters”

# 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

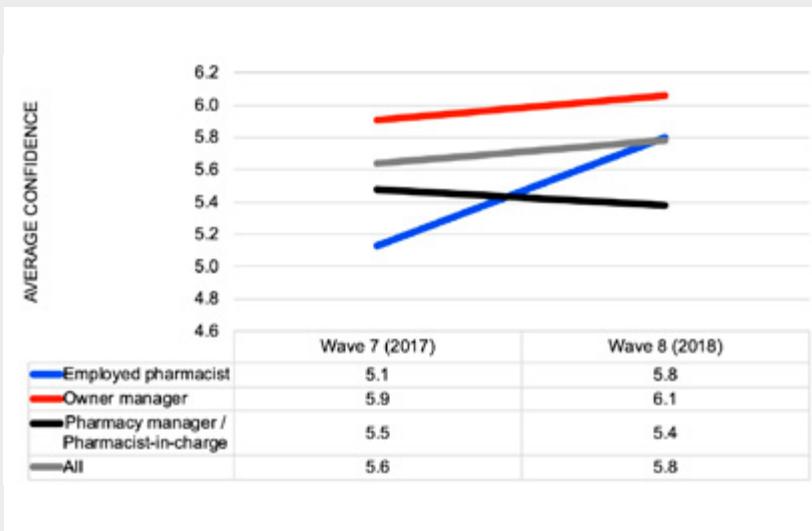


\*wave 7: n=360, wave 8: n=361

Overwhelmingly pharmacists remain neutral in their opinion on the future viability of community pharmacy, with 65% of pharmacists scoring a neutral rating between 4 and 7. This represents a slight decline from 70% in wave 7 to return to values reported in wave 5 and 6 (66%). From the 5% difference between wave 7 and 8, 4% of pharmacists indicated a move from neutral to optimistic, while 1% of pharmacists shifted from neutral to pessimistic. Pharmacists, although generally neutral, are more optimistic about the future viability of community pharmacy, with optimistic scores between 8 and 10 increasing (19% in wave 8 up from 16% in wave 7). The pessimistic ratings between 1 and 3 have increased slightly but have not returned to wave 6 values (16% in wave 8 up from 15% in wave 7, down from 20% in wave 6).

The average confidence in community pharmacy is slowly rising, with a trend developing over time for confidence to increase from a neutral position. In wave 8 the confidence rose to 5.8 up from 5.6 in wave 7 and 5.33 in wave 6. While overall neutrality remains, movement in confidence is on the incline.

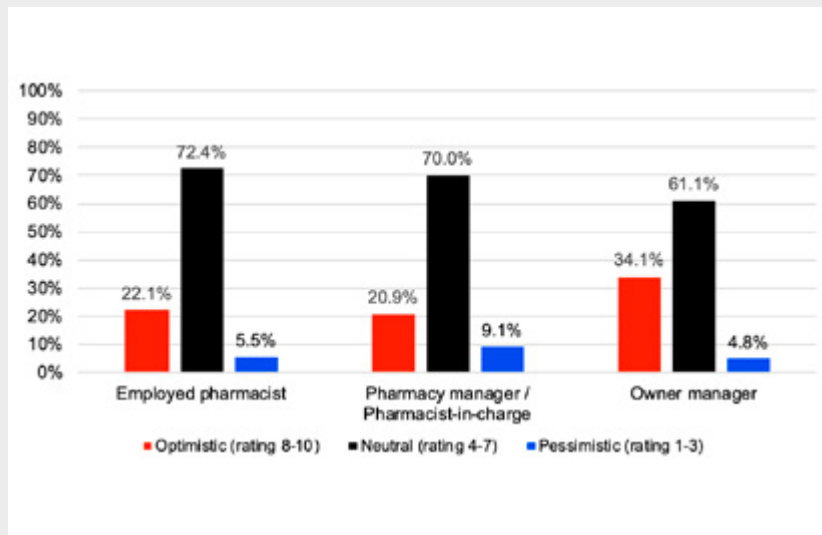
Figure 7b: Pharmacists confidence in the future viability of community-based pharmacy comparison (n=361)



The outlook on the future viability of community pharmacy remains neutral with average values increasing to 5.8 out of 10 in wave 8 up from 5.6 in wave 7. Not surprisingly owner/owner managers remain the most optimistic about the viability of pharmacy, demonstrating a steady increase towards a more optimistic rating (6.1 in wave 8, versus 5.9 in wave 7). Interestingly, employed pharmacists exhibited the greatest increase in optimism. Over the previous two waves employed pharmacists' confidence has continued to decrease (5.29 in wave 6 and 5.13 in wave 7), however in wave 8 confidence is at a high of 5.8, while remaining neutral. Pharmacy manager/pharmacist-in-charge confidence levels fell below employed pharmacists in wave 8, declining from 5.5 in wave 7 to 5.4 in wave 8.

Employed pharmacists have seen the emerging environment of community pharmacy in a more services-oriented landscape and are becoming increasingly confident in the evolving role of the pharmacist and the accompanied remuneration rewards. However, a dissatisfaction remains with pharmacist managers/pharmacist-in-charge, possibly as the burden of change falls predominantly on their shoulders.

Figure 7c: Pharmacists confidence in the future viability of community-based pharmacy by pharmacist type (n=361)



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

Neutral confidence in the viability of community pharmacy persists across all pharmacist types, however emerging trends are evident when examining the optimistic and pessimistic ratings of the three pharmacist categories. Almost double the amount of pharmacy manager/pharmacist-in-charge (9.1%) compared with employed pharmacists (5.5%) and owner/owner managers (4.8%) exhibit a pessimistic view towards the viability of community pharmacy. Owner/owner managers exhibit the greatest degree of optimism in the future viability of community pharmacy (34.1%) followed by employed pharmacists (22.1%) and pharmacy manager/pharmacist-in-charge (20.9%).

A larger proportion of all pharmacist types remain optimistic about the future of community pharmacy than pessimistic highlighting the dissipation of fear within the industry and belief in the ability of the community pharmacy landscape to evolve and new roles within pharmacy to emerge. Still a small group of pharmacists hold pessimistic views, inevitably resulting in adverse consequences on the profession in terms of workplace productivity and satisfaction.

#### EXPERT COMMENTARY

“The pharmacy manager is more pessimistic than owners or pharmacists. Maybe the burden of change is falling predominantly on the pharmacy manager.”

**John Montgomery**

“In the past we have seen how poor remuneration has reflected on the confidence of the pharmacist, it may be that remuneration for the pharmacy manager does not reflect their level of burden.”

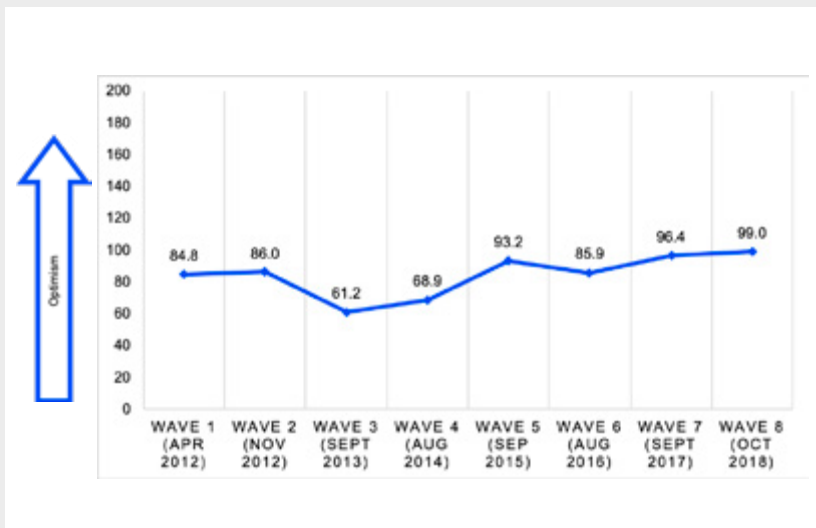
**Warwick Plunkett**

“Unfortunately, the profession has not been able to convince all pharmacists that there are better times ahead.”

**Kylie Williams**

# UTS Community Pharmacy Barometer™

Figure 8: UTS Community Pharmacy Barometer Index



The UTS Community Pharmacy Barometer reached a record high with a rating of 99 out of 200 in 2018. Marginally higher than last year's results (96.4 wave 7), the continual rating by pharmacists in the confidence of community pharmacy highlights a stabilising effect as the industry reaches a steady state. With the changes relatively subtle year on year for the previous three years, it is evident that pharmacists have come to terms with the 6CPA and are confident with professional and economic outcomes. The 2018 Barometer score demonstrates that pharmacists are slowly but surely getting on with business.

## EXPERT COMMENTARY

"This increase demonstrates the marginal improvement in community pharmacy attributable to the 6CPA."

**Warwick Plunkett**

"This is a decent score - a much higher score would be difficult to achieve given the everchanging environment."

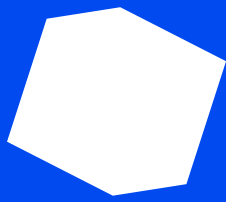
**John Montgomery**

"The community pharmacy environment is evolving and with it, pharmacists are gaining confidence."

**Kylie Williams**

"The 6CPA maintains a positive trend in the confidence towards the profession."

**Victoria Garcia Cardenas**



# Role and remuneration of community pharmacists





# Role and remuneration of community pharmacists

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. Community pharmacy agreements are largely based around dispensing fees and administrative and handling fees since mark up on the cost of the drug is not considered. Increasingly there has been a shift of focus and funds being allocated to the provision and remuneration of professional pharmacy services. Through the agreements The Australian Government recognises the important role that pharmacists and pharmacies play in our health system and is committed to supporting pharmacies across Australia in providing consumer access to the Pharmaceutical Benefits Scheme (PBS) and effective health services. As part of the sixth agreement \$1.26 billion was allocated over five years for community pharmacy programs. Although these allocations are adapted they include:

- \$613 million to support community pharmacy programs continuing from the 5CPA
  - Dose Administration Aids
  - Staged Supply
  - Clinical Interventions
  - Home Medicines Reviews
  - MedsCheck and Diabetes MedsCheck

- \$50 million to support the Pharmacy Trial Program (PTP)
  - Pharmacy diabetes screening
  - Indigenous medication review service
  - Reducing medicine induced deterioration and adverse reactions in aged care
  - Integrating practice pharmacists into Aboriginal Community controlled health services
  - Asthma management
  - Cardiovascular disease management
  - Chronic Pain MedsCheck
- \$600 million to support a range of new and/or expanded programs.

Leading pharmacy bodies have also voiced their support for the evolution of the community pharmacy landscape and appropriate utilisation of the role of the pharmacist to provide more effective and efficient healthcare services to improve outcomes for consumers. The Pharmaceutical Society of Australia's "Pharmacists in 2023"<sup>1</sup> and the Pharmacy Guild of Australia's "Community Pharmacy 2025"<sup>2</sup> both advocate for the enhanced role of the community pharmacist in providing evidence-based services that complement pharmacists current scope of practice. However, models of remuneration to support the ongoing delivery of professional services remain a concern with funding outside the sixth agreement needing to be explored.

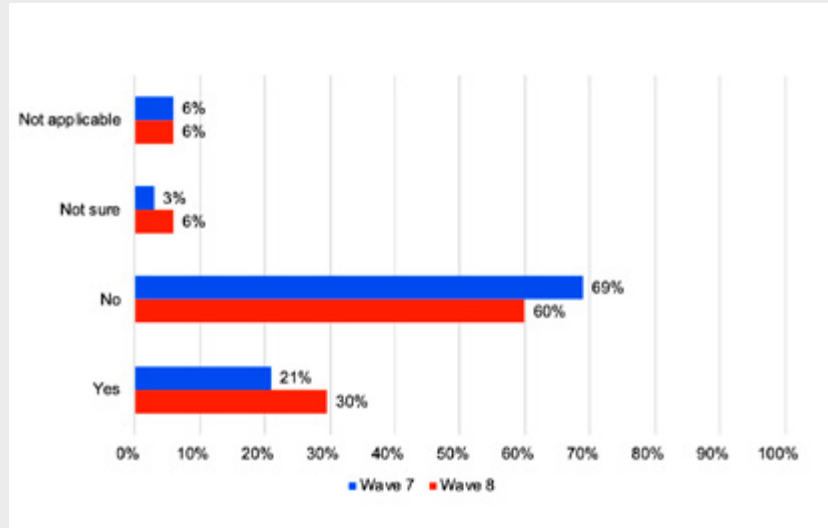
Recognition of the need to ensure long term wage sustainability in pharmacy as the role of the community pharmacist diversifies is an overarching theme. The PSA is advocating to ensure fair remuneration for pharmacists in recognition of their professional contribution in supporting people's health and the Guild affirming that pharmacists delivering medication related services should be reimbursed commensurate with other health professionals delivering equivalent services.

1 Pharmaceutical Society of Australia 2019. *Pharmacists in 2023: For patients, for our profession, for Australia's health system*. Canberra: PSA.

2 The Pharmacy Guild of Australia. 2018. *Community Pharmacy 2025*. Canberra

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

Figure 9a: Changes in pharmacist remuneration level in the last year (n=361)

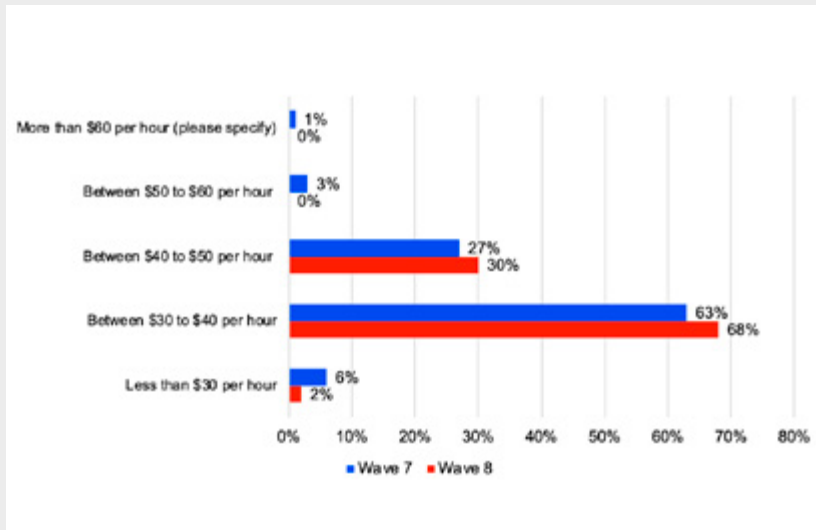


\* Note: Scale from 1 (strongly dissatisfied) to 10 (strongly satisfied)

Approximately a third of respondents indicated that their level of remuneration has changed in the previous twelve months compared with 2017, an additional 9% of pharmacists in wave 8. While the vast majority of pharmacists (60%) indicated that no change in remuneration had been received, the percentage of pharmacists whose remuneration

level did not change decreased from 69% in wave 7 to 60% in wave 8. It appears that gradually pharmacist remuneration levels are changing possibly attributed to the diversification of the role of the pharmacist or lobbying from key pharmacy bodies. The level of non-applicable responses remained unchanged at 6%.

Figure 9b: Remuneration hourly rate of employee pharmacists (n=178)



Owners/owner managers who indicated yes, no or not sure (n=178) were asked to specify the average hourly rate for employee pharmacists. Wage increases are reported with the proportion of pharmacists who were earning below \$30 per hour decreasing in wave 8 (2% in wave 8, down from 6% in wave 7), with 4% moving into the \$30-\$40 per hour pay category (68% in wave 8 up from

63% in wave 7). Additionally, one third of pharmacists are earning between \$40-\$50 per hour increasing 3% from wave 7 (30% in wave 8, versus 27% in wave 7). This data may reflect that owners are responding to the current push within the pharmacy industry to better support pharmacists through increased remuneration.

#### EXPERT COMMENTARY

“Remuneration is creeping upwards which is good to see.”

**John Montgomery**

“The push towards remunerating pharmacists fairly for the work they provide appears to be working.”

**Warwick Plunkett**

“This is a good start to recognising pharmacists’ valuable contribution to healthcare provision, however there is room for further wage growth.”

**Kylie Williams**

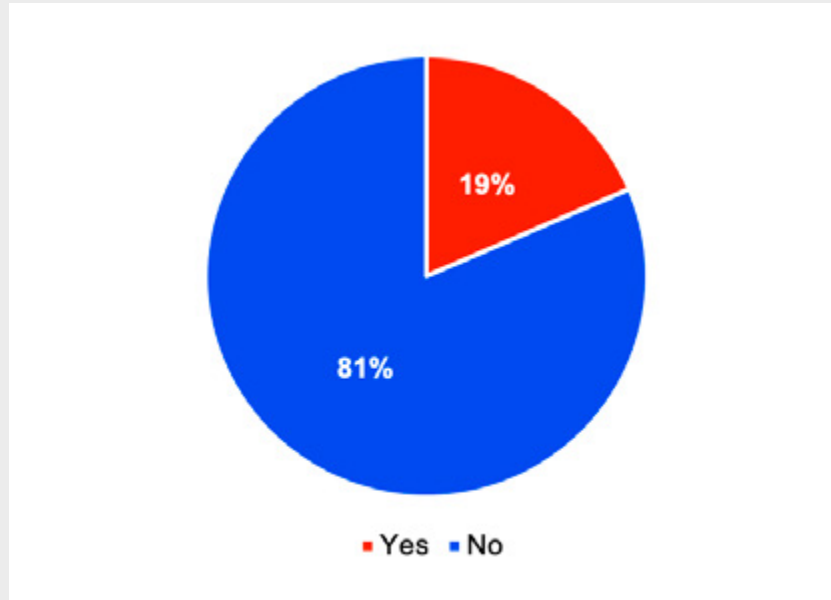
“After a few years of instability, the increase in remuneration is both positive and exciting amongst community pharmacists.”

**Victoria Garcia Cardenas**

# “Is the role of any employed pharmacist dedicated mainly to the provision of non-dispensing professional services?”

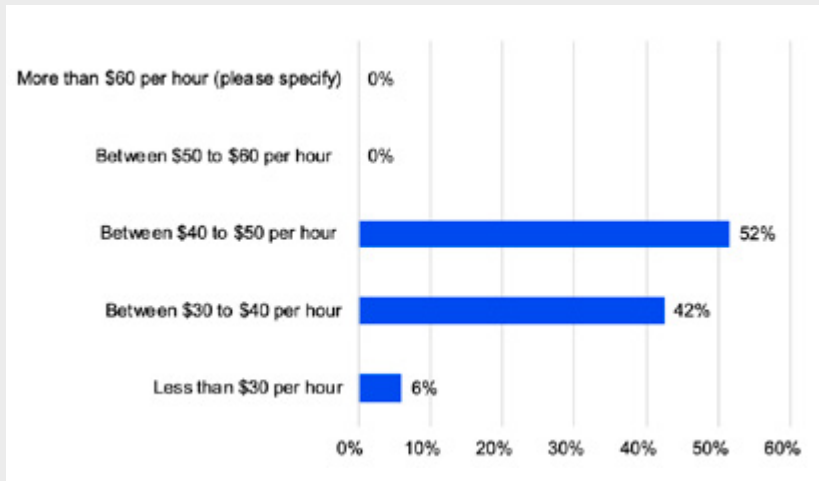
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Figure 10a: Role of any employed pharmacist dedicated mainly to the provision of professional services (n=178)



One fifth (19%) of owner/owner managers indicated that they employ a pharmacist dedicated mainly to the provision of professional services. However, the majority of pharmacies do not employ a pharmacist solely dedicated to delivering professional services (81%) perhaps due to the volume of service delivery. It is evident that owners are increasingly employing service delivering pharmacists.

Figure 10b: Average hourly rate of service provider (n=33)



Those owners that indicated yes to employing a professional services pharmacist (n=33) were asked to indicate the level of remuneration that they received. Pharmacists providing professional services received generally higher levels of remuneration than other pharmacists, receiving an average hourly rate between \$40-\$50 (52%). Surprisingly, 6% of professional services pharmacists were earning below \$30 per hour, when on average

2% of the pharmacist population earns below \$30 per hour. An additional, 42% of professional services pharmacists were reported to earn between \$30-\$40 per hour. Owner/owner managers who employ professional services pharmacists are predominantly financially remunerating at higher levels of remuneration compared to other pharmacists.

#### EXPERT COMMENTARY

“There seems to be a growing recognition that in order to take advantage of the opportunities in services, that there needs to be dedicated resources with a higher remuneration. This needs to accelerate to fully leverage this opportunity.”

**John Montgomery**

“Over time we can expect to see this number to grow as the positions become more viable.”

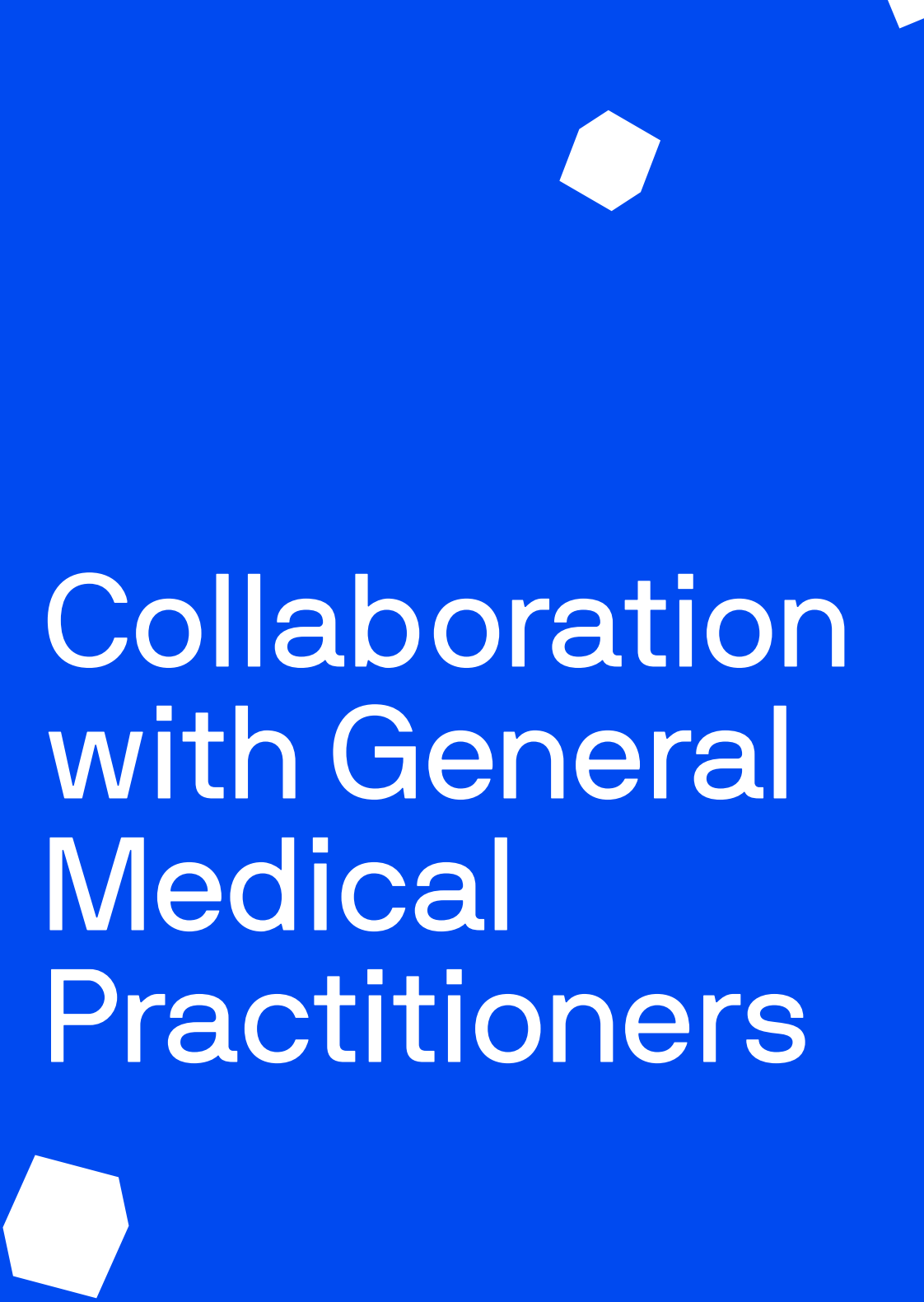
**Warwick Plunkett**

“Remuneration appears to be moving in the right direction, it is evident pharmacists are making an investment for the future of the profession.”

**Kylie Williams**

“This aligns and reinforces the trend that community pharmacy is experiencing regarding patient focus and service provision.”

**Victoria Garcia Cardenas**



# Collaboration with General Medical Practitioners

# Pharmacists collaboration with General Practitioners

Interprofessional collaboration involves individuals from different disciplines working together contributing to patient care from their own professional perspective. It is now widely recognised that health professionals must work together to provide adequate care for chronically ill patients. General Practitioners (GPs) and community pharmacists are increasingly being encouraged to adopt more collaborative approaches to healthcare delivery. Closer collaboration between community pharmacists and doctors in general practice is an achievable goal which would deliver significant benefits to patient and the healthcare system. Considerable debate exists around models of care enhancing the

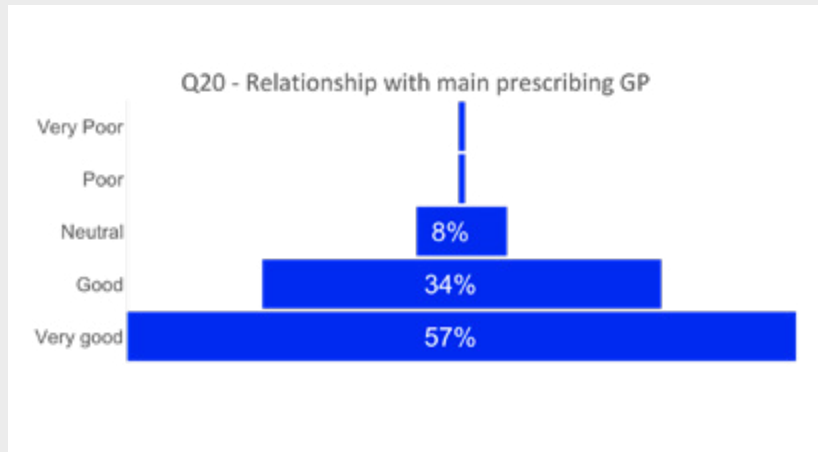
relationship between pharmacists and GPs. At a national and international level, the integration of pharmacists within general practice is the dominating model. Increasing the levels of collaboration between community pharmacists and GPs provides an opportunity to expand the scope of practice for pharmacists to better support people with chronic conditions.

In this part of the Barometer we report on a preliminary review of the perceptions pharmacists have regarding to the level and quality of interaction with their local General Medical Practitioner. The following questions were posed.



# “How would you rate your relationship with your main prescribing general medical practitioner?”

Figure 11: Relationship with main prescribing GP (n=361)



On average, pharmacies reported dispensing 1,067 PBS items per week (SD: 895) and contacting the local GP approximately 11.7 times per week (SD: 14.6). Pharmacists' opinions of the relationship they hold with their main prescribing GP has improved; 57% of pharmacists in wave 8 indicated that they have a very good relationship compared to 30% in wave 6, while a further 34% in wave 8 indicated they have a good relationship compared with 54% in wave 6. The relationship between pharmacists and GPs is increasing with a drastic shift from pharmacists rating their relationship as good to very good. No pharmacists reported having a poor or very poor relationship with their local GP, with 8% reported having a neutral relationship.

Largely, pharmacists report very good working relationships with their local GP. With the two professions working in parallel further investigation is required to determine a strategy for increasing the interaction whilst coexisting. If new models of collaboration are to be developed greater levels of interaction are required.

## EXPERT COMMENTARY

“The number of GP contacts per week as a proportion of the items dispensed seems low at about 1%.”

**John Montgomery**

“By and large pharmacists are getting on well with their local GP.”

**Warwick Plunkett**

“With such positive relationships how do we increase the interaction between pharmacist and GP?”

**Kylie Williams**

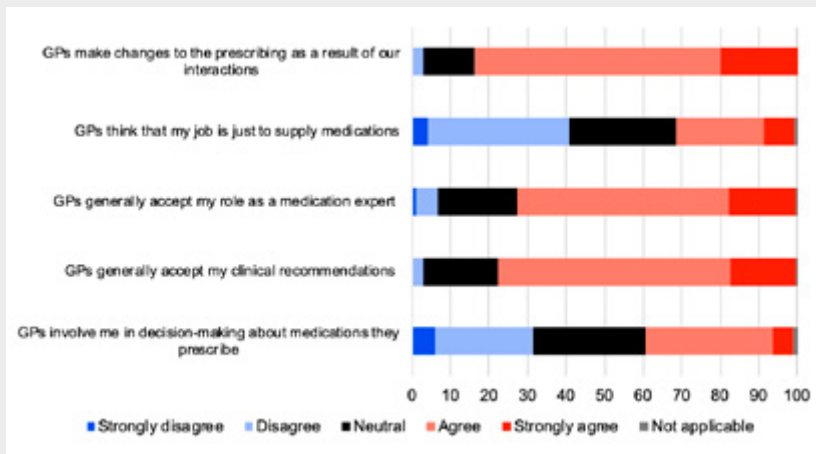
“It is very positive and reassuring to witness how pharmacists perceive their collaborative working relationships with GPs. This is crucial to achieve full integration of pharmacists into the health care system.”

**Victoria Garcia Cardenas**



# “What is your level of agreement with the following statements regarding interaction with your local General Medical Practitioner?”

Figure 12: Collaboration with GPs (n=361)



**EXPERT COMMENTARY**

“This represents a good basis for further collaboration.”  
**John Montgomery**

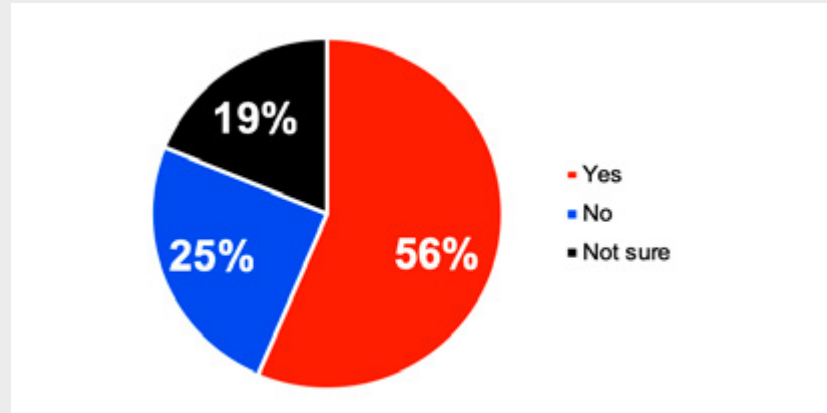
“There is a general belief by pharmacists that GPs collaborate well with them and accept their clinical decisions.”  
**Warwick Plunkett**

When pharmacists were asked to rate their interactions with GPs, the majority identified that their opinion and expertise as a pharmacist was well respected. An overwhelming 84% of pharmacists highlighted that GPs made changes to their prescribing as a result of the interaction they had with a pharmacist (64% of pharmacists agreeing and 20% strongly agreeing). There was strong agreement from pharmacists that GPs accept their role as a medical expert (55% agree, 17.5% strongly agree) and accept their clinical recommendations

(60% agree, 17% strongly agree). Given this, it is surprising to note that one third of pharmacists believe GPs think their primary job is just to supply medications. However, 36% of pharmacists disagreed with this statement and a further 4% strongly disagreed. Increasingly, GPs appear to be involving pharmacists in the decision-making process about the medications they prescribe with 38% of pharmacists agreeing or strongly agreeing to the relevant question, and a further one third remaining neutral on the topic (30%).

# “Do you support having pharmacists working in GPs surgeries?”

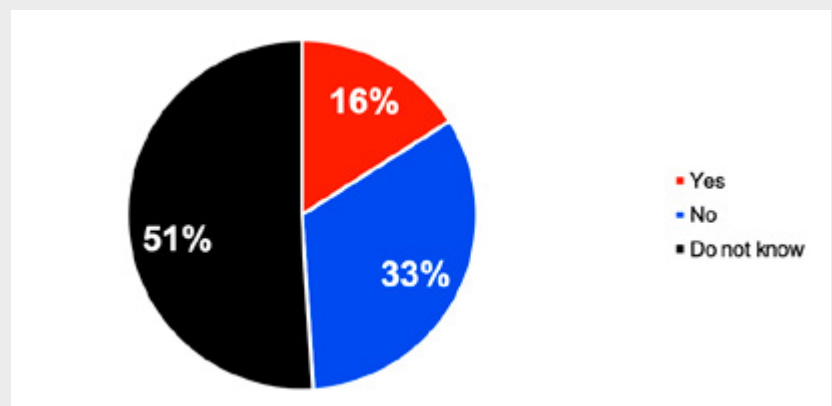
Figure 13a: Support for pharmacists working in GP surgeries from pharmacist perspective (n=361)



A majority of responders support the integration of pharmacists into general practice with 56% responding ‘yes’ when asked. One fifth (19%) of pharmacists were unsure and a further 25% did not support the notion. Less support was demonstrated by owner/owner managers with 41% supporting the integration while pharmacy manager/pharmacist-in-charge and employed pharmacists strongly supported

the expansion of the role (68% ‘yes’ pharmacy manager/pharmacist-in-charge, 77% ‘yes’ employed). Slight decreases in acceptance have been demonstrated when compared to responses from wave 5 in 2015 and wave 6 in 2016, mainly demonstrated in declining acceptance from owner/owner managers (41% in wave 8, versus 49% in wave 6 and 65% in wave 5).

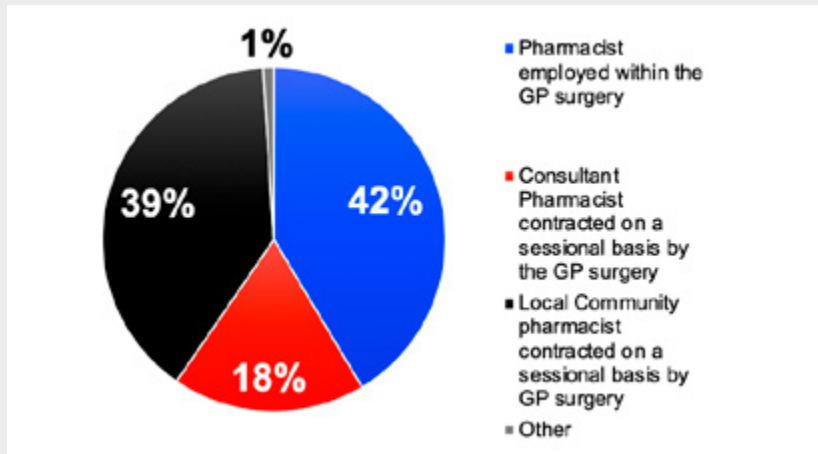
Figure 13b: Support for pharmacist services in GP surgeries from GP perspective (n=361)



Interestingly when pharmacists were asked whether they believed that local GPs want them to provide services at their surgery, more than half (51%) did not know, one third believed ‘no’ (33%) and a minimal percentage (16%) believed ‘yes’. The data reflects that while pharmacists are in strong support

of integrating their role into the general practice team, they are unsure if GPs want them to provide services within the general practice setting.

Figure 13c: Preferred arrangements for pharmacists working in GP surgeries (n=204)



When asked to comment on the preferred arrangements for how pharmacists should best work in GP surgeries there was a lack of consensus on the best model, with two dominating strategies each significantly different in their approach. There was strong support for pharmacists to be employed within the GP surgery (42%), and also significant support for the local community pharmacist to be contracted on a sessional basis by a GP surgery (39%). A further 18% supported a consultant pharmacist contracted on a sessional basis by the GP surgery, with a remaining 1% electing other supporting arrangements such as having a pharmacy in the surgery or directly next door to the surgery.

Pharmacists strongly support the diversification of their role to be integrated as a member of the general practice team, considering it vital to reduce the fragmentation of patient care and medication misadventure. The concept of the practice pharmacist has been supported by the Pharmaceutical Society of Australia and the Consumers Health Forum of Australia. While strong support for the expansion of the role of pharmacists exists within the industry, the best model remains debatable. Further models of how best to integrate pharmacists into general practice require exploration to determine the best strategies moving forward.

#### EXPERT COMMENTARY

“Owners appear to feel more threatened by this model of change than their staff.”

**John Montgomery**

“Greater exploration into models of how pharmacists can be integrated into general practice is required, nonetheless it is great to see the expansion of the professional role of the pharmacist.”

**Warwick Plunkett**


“Finding the right strategy or strategies is important, as working collaboratively with GPs will help to enhance patient continuity of care.”

**Kylie Williams**

“Additional models such as community pharmacists working in GP practices have the potential to both stimulate and trigger models worth exploring.”

**Victoria Garcia Cardenas**





# Pharmacists providing vaccinations

# Pharmacists providing vaccinations

Immunisation is a vital public health initiative that improves the health of individuals and populations by reducing the incidence and spread of disease. The first Australian immunisation programs were established in the 1920s and Australia has since had an excellent record of preventing disease through immunisation. Improving immunisation coverage, and ensuring an adequately skilled immunisation workforce were identified as priority areas in the Department of Health report National Immunisation Strategy for Australia 2019-2024<sup>3</sup>. Additionally the need to continue to develop further settings for immunisations in order to reach specific population groups has been identified by the Department of Health and Ageing.

Pharmacists have an important role in promoting immunisation and reducing the impact of vaccine preventable diseases in the community. On the 5th December 2013, the Pharmacy Board of Australia announced that vaccination was within the current scope of practice of pharmacists. Since 2014, pharmacists have provided vaccinations in Australia, and across all States and Territories since 2016, leading to increased vaccination rates. Research from a report commissioned by the Pharmaceutical Society of Australia revealed almost two-in-three Australians believe pharmacists should be able to administer a broader range of vaccinations. Currently the legislative requirements governing the administration of vaccines by pharmacists differ between States and Territories. The pharmacy industry is pushing for a nationally consistent approach in order to make vaccinations more accessible for all Australians.

A multinational study conducted by the International Pharmaceutical Federation (FIP) found that pharmacists providing direct administration of vaccines is a highly effective public health strategy for health systems and healthcare planners, complementing the existing service offerings for immunisation<sup>4</sup>. Pharmacists offer convenience, product safety, advocacy support and an overall highly impactful contribution to the public health challenges of immunisation and vaccination policies. However, anomaly exists in the funding of vaccination services in Australia compared with other countries, with currently no financial support from the government for the provision of immunisation services. Vaccination services in community pharmacy in Australia are fully funded by community pharmacies through privately charging patients, with some banner groups choosing to engage doctors and immunising nurses in order to claim the administration of the vaccine on the Medicare Benefits Scheme (MBS), rather than using a vaccinating pharmacist who cannot claim the service on the MBS. This has created competition in the industry based around pricing with privately funded services charging approximately \$20-\$30 per service, while those claiming through MBS can provide the service for approximately \$9-\$10. Additionally, there has been resistance from other immunising healthcare professionals.

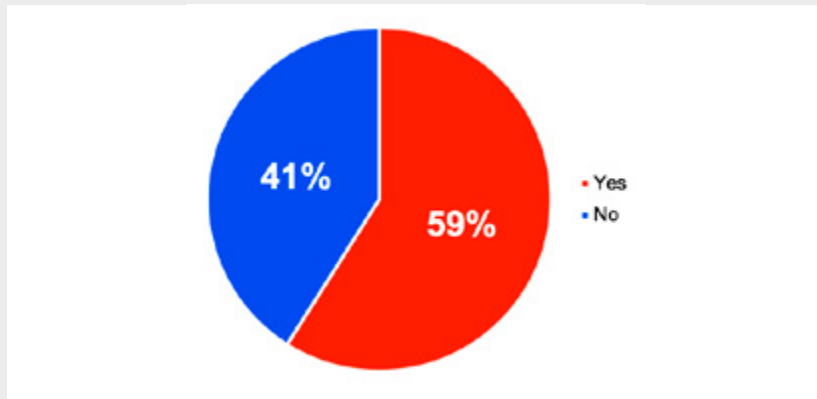
Pharmacist provision of vaccination services has continued to evolve since the introduction of the role within the pharmacists' scope of practice in 2013. States and Territories differ in their legislative requirements of what vaccines can be administered by pharmacists, however the range of vaccines has broadened from influenza vaccines to include diphtheria, tetanus, pertussis (dTpa), measles, mumps and rubella (MMR) in some states.

3 Australian Government Department of Health. 2018. *National Immunisation Strategy for Australia 2019-2024*. Canberra

4 International Pharmaceutical Federation (FIP). An overview of current pharmacy Impact on immunisation- A global report 2016. The Hague: International Pharmaceutical Federation: 2016

# “Does your pharmacy provide vaccination services?”

Figure 14a: Provision of vaccination services (n=361)



The majority of pharmacies are taking advantage of this broadening scope of practice with 59% of pharmacies identifying that they are currently providing vaccination services. The remaining 41% of pharmacies are not engaging in vaccination services.

## EXPERT COMMENTARY

“Its surprising more pharmacies haven’t taken greater steps to get involved. Could it be a case of hype versus hope?”

**Warwick Plunkett**

“More than 40% of pharmacies not providing vaccinations is an opportunity lost.”

**John Montgomery**

“Pharmacists are excited about the expansion and diversification of their role.”

**Kylie Williams**

“Exciting opportunities can develop by expanding the implementation of vaccination services in community pharmacy settings.”

**Victoria Garcia Cardenas**

Figure 14b: Average number and cost of vaccination services (n=214)

	Average number/week	Charge/ vaccine (\$AUD)
Influenza Vaccine	58.5	21.2
Pertussis-containing vaccine (only for ACT, NT, QLD, VIC)	2.8	38.8
Measles, Mumps and Rubella (MMR) vaccine (only for NT, QLD)	0.7	18.6

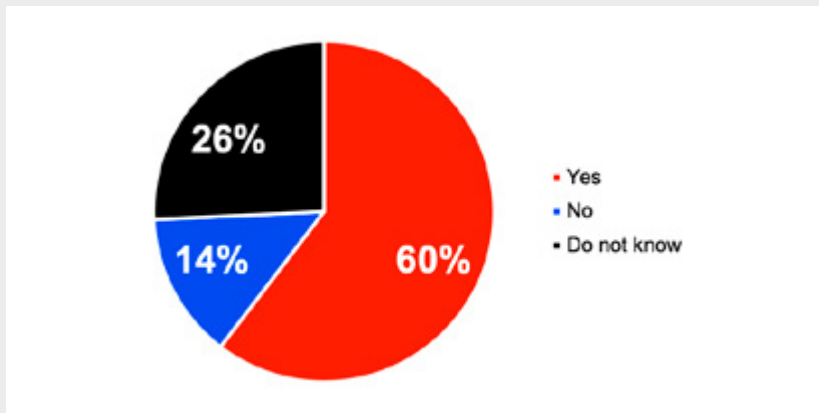
Pharmacies that identified that they were providing vaccination services were further asked to determine the average number of immunisation services delivered per week by vaccination type and the average cost of the service. Influenza vaccination services available across all States and Territories in Australia were associated with seasonal variability. Despite seasonal variability, pharmacies identified influenza vaccine as the most common vaccination service, on average providing 58.5 vaccination services per week at an average cost of \$21. The pertussis-containing vaccine, available only in the ACT, NT, QLD and VIC at the time of survey, was administered approximately 2.8 times per week at an average cost of \$38, while the measles,

mumps and rubella (MMR) vaccine service was utilised approximately 0.7 times per week in pharmacies across NT and QLD at a charge of \$18.

The provision of vaccination services within community pharmacy facilitates efficiency in the healthcare system and improves access to vaccination services for many. Approximately two million Australians identified in 2017 that they weren’t considering getting the influenza vaccine but would do so if they could receive it at a pharmacy. Interestingly 41% of pharmacies are still not providing vaccination services, when overwhelmingly the Australian population supports its uptake.

# “Would you like to see the range of permitted vaccinations increase?”

Figure 15: Range of vaccination services (n=361)



## EXPERT COMMENTARY

“This presents a profitable business opportunity for pharmacies whilst diversifying the role of the pharmacist.”

**John Montgomery**

“Pleasing to see half of the pharmacists already feel comfortable here and want to expand this role further.”

**Warwick Plunkett**

The majority of pharmacists providing vaccination services have identified that they would like to see an increase in the range of vaccines they are able to administer (60%). Of those providing vaccination services 14% have identified that they are satisfied with the range of vaccinations available for pharmacists to administer and do not want the range to increase while 26% are unsure.

From the pharmacists that identified that they would like to see the range of vaccination services increase they were asked to identify which vaccinations they would like to be permitted to administer, with responses including\*:

- Travel vaccinations- HepA, HepB, Typhoid, Yellow Fever
- Childhood immunisation schedule
- MMR
- Pertussis booster
- Tetanus
- Pneumonia
- Chickenpox
- Diphtheria, Tetanus and Pertussis
- Gardasil
- Whooping cough
- Boostrix
- Twinrix
- Vivaxim
- Meningococcal

\*Question was asked across all States and Territories. Different legislative requirements across States and Territories results in variation in the availability of vaccines that can be provided by pharmacists.



# Biosimilars



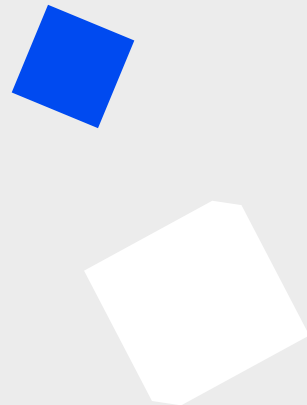
# Biosimilar medicines

A biosimilar medicine is a highly similar version of a reference biological medicine. The reference biological medicine is the first brand to market<sup>5</sup>.

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 health care 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 available 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.

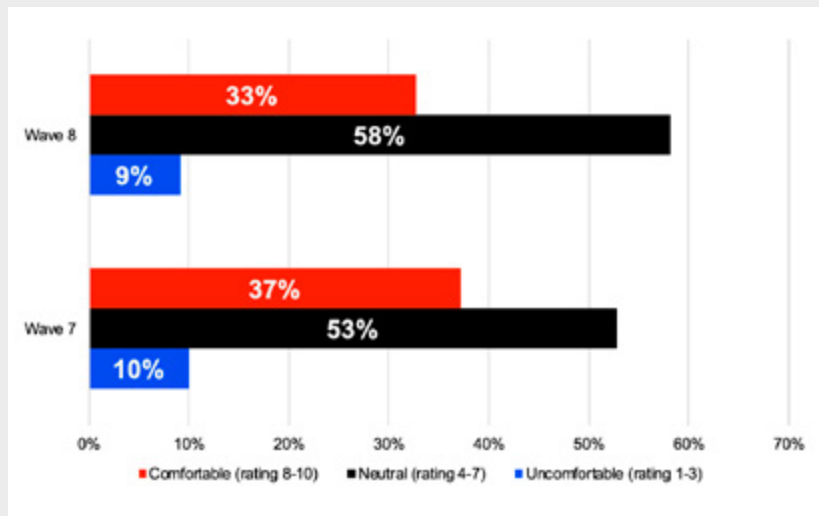


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5 Australian Government Department of Health. 2017. Biosimilar Awareness Initiative, <<http://www.health.gov.au/internet/main/publishing.nsf/Content/biosimilar-awareness-initiative>>

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

Figure 16: Comfort level providing information to patients (n=361)



## EXPERT COMMENTARY

“It is disappointing to see that at this critical time for biosimilars that pharmacist comfort with supplying information has gone backwards. This is a wake-up call for all the stakeholders in this area given how important pharmacists are to biosimilar uptake.”

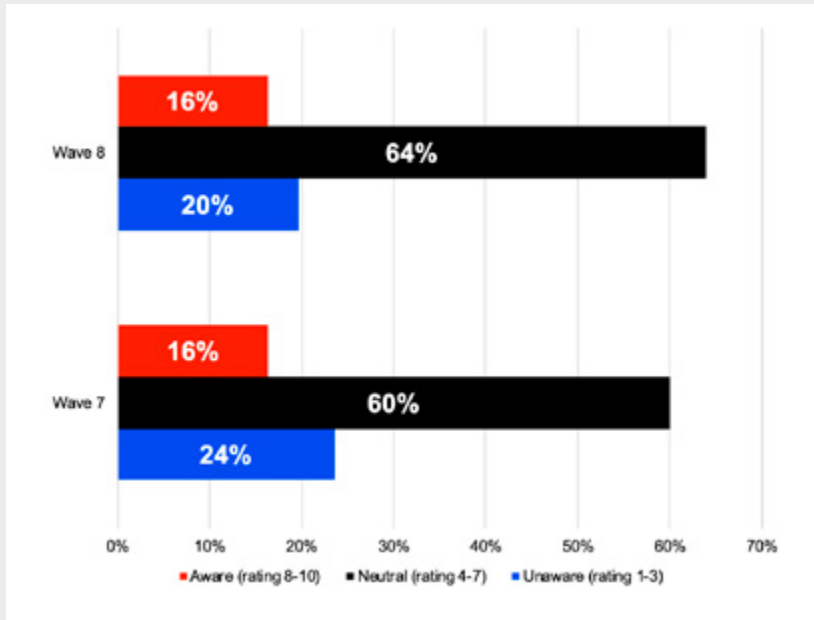
**John Montgomery**

The question was posed to pharmacists to gauge awareness of their confidence in educating patients on the use of biosimilars. Compared to twelve months ago, the results show that the level of comfort amongst pharmacists has decreased from 37% in wave 7 to 33% in wave 8. It appears the majority of movement has occurred between being comfortable to being neutral (58% in wave 8 versus 53% in wave 7). The number of pharmacists who feel uncomfortable in providing education to patients about biosimilars has remained similar at approximately 9%.

Pharmacists continue to display less than ideal comfort levels when providing education to patients about biosimilar medicines. 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. Greater pharmacist education is required to enhance biosimilar substitution in practice.

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

Figure 17: Level of awareness of the Department of Health Biosimilar Awareness Initiative (n=361)



## EXPERT COMMENTARY

“Such a sustained low level of awareness shows that the initiative is simply not cutting through.”

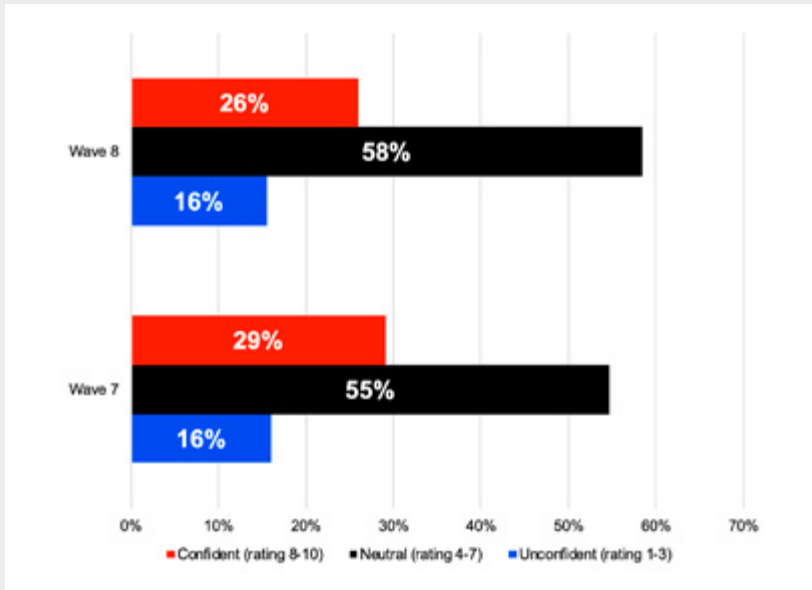
**John Montgomery**

It appears little is being done to increase the awareness among pharmacists of the Department of Health ‘biosimilar awareness initiative’ introduced in 2015. The initiative aims to support awareness of, and confidence in, the use of biosimilar medicines for healthcare professionals and consumers. The same proportion of pharmacists (16%) were aware of the initiative between wave 7 and wave 8. The percentage of pharmacists who were unaware

of the initiative decreased by 4% in twelve months, moving into the neutral category increasing from 60% in wave 7 to 64% in wave 8. Nevertheless, 84% of all pharmacists remain neutral (64%) or unaware (20%) of the initiative, highlighting the need for greater effort to be made in educating pharmacists about the resources they have available to them to assist the biosimilar substitution process.

# “What is your level of confidence of substitution?”

Figure 18: Level of confidence on biosimilar substitution (n=361)



## EXPERT COMMENTARY

“Again pharmacists need to be confident in substituting as we’ve seen with generics. Without this, biosimilars will continue to struggle.”

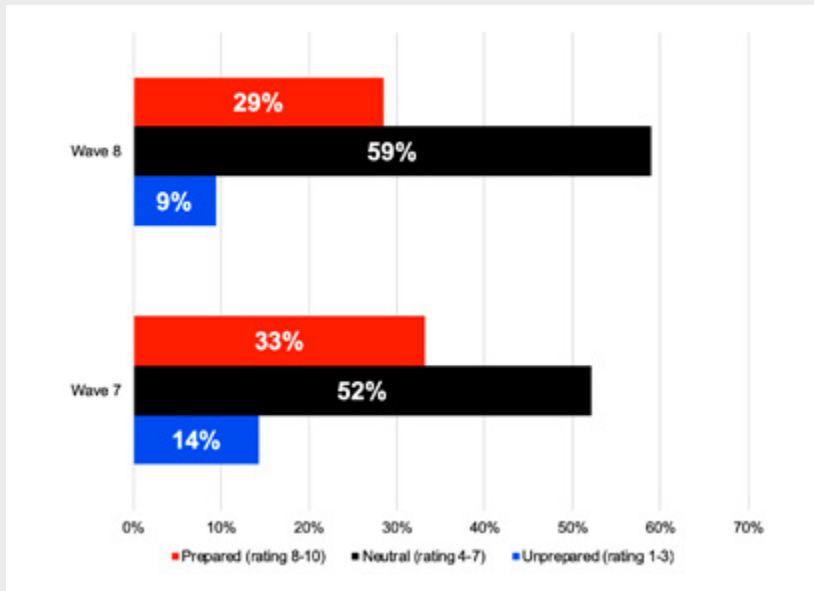
**John Montgomery**

An overall decline in pharmacists’ level of confidence in substituting biosimilar is also apparent. This follows the same trend when compared to twelve months ago in terms of comfort in providing information to customers about biosimilars. Down 3% on wave 7 values pharmacists display diminishing confidence in substituting biosimilar medicines (26% in wave 8, versus 29% in wave 7). Pharmacists appear to be moving from being confident in wave 7 to neutrality in wave 8. Seventy four

percent of pharmacists remain neutral (58%) or lacking confidence (16%) in substituting biosimilars. As biosimilar approvals increase and the biosimilar market in Australia grows exponentially it is concerning that community pharmacists do not feel equipped to substitute biosimilar medicines or provide information to customers regarding this topic.

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

Figure 19: Level of perceived preparedness to dispense biosimilars (n=361)



## EXPERT COMMENTARY

“Another key indicator such as preparedness going backwards solidifies the view that most pharmacists are not yet ready for biosimilars. This can be turned around, but action must be taken soon to address this issue if the promise of biosimilars is to be realised.”

**John Montgomery**

The trend continues with pharmacists displaying decreased levels of preparedness to dispense biosimilar medicines. Declining 4% from wave 7, 29% of pharmacists are prepared to dispense biosimilar medicines to new patients (29% in wave 8, versus 33% in wave 7). The percentage of pharmacists who felt unprepared in dispensing biosimilars decreased by 5%, with the majority of pharmacists displaying an overall neutrality towards biosimilar dispensing (59% in wave 8, versus 52% in wave 7). The data supports previous suggestions in wave 7 that the group of pharmacists who are comfortable providing information to patients (33%), are also confident in biosimilar substitution (26%) and prepared to dispense biosimilars to new patients (29%), however the proportion of pharmacists in this group has decreased between wave 7 and wave 8.

The capacity of pharmacists to handle biosimilar medicines in community pharmacy is lacking, demonstrated by the overall neutrality in their preparedness and confidence to deal with biosimilar medicines. It is concerning that pharmacists remain ill equipped and unaware of the growing market. Biosimilars are entering the market at a fast pace and until pharmacists enhance their familiarity, education and understanding of biosimilar medicines it will be to the detriment of the patient and Australian healthcare system.

# Conclusion

The eighth UTS Pharmacy Barometer of October 2018 shows that:

- **The UTS Pharmacy Barometer was 99.0**, the highest in the history of the barometer, demonstrating overall neutrality and steady year on year rises in confidence.
- Pharmacists' fear and uncertainty about the future of community pharmacy is dissipating, demonstrated by increasing optimism, the support of pharmacist role diversification and becoming accustomed to the sixth Community Pharmacy Agreement.
- Pharmacist remuneration demonstrates signs of improvement and wage recovery.
- Significantly pharmacists support the changing landscape of the industry to be more services oriented, with the majority offering vaccination services and wanting to see this role expand further.
- Pharmacists' working relationships with their local GPs are very good, with strong support for the integration of pharmacists into medical practices.
- The large majority expressed neutral views, indicating they feel less confident and prepared in the provision of biosimilar medicines, compared to 2017.

Wave 8 of the 2018 UTS Community Pharmacy Barometer, strengthens and supports the trends demonstrated in wave 7, 2017. Ongoing increases in the optimism and confidence in the future of community pharmacy is highlighted. Pharmacists continue to hold neutral views overall, however there is upward movement demonstrating a shift from those who were pessimistic to becoming neutral and those who were neutral to becoming optimistic.

Since the introduction of the 6CPA pharmacists' confidence continues to rise with pharmacists now becoming accustomed to the terms of the agreement. Pharmacists expressed increasing support for the diversification of their role as the evolving services landscape within community pharmacy expands. Demonstration of strong support towards pharmacists working in GP surgeries highlights the hope of pharmacists to be able to widen their scope of practice. This was further supported by an overwhelming majority of pharmacists wanting to be able to provide a greater range of vaccinations within the pharmacy setting.

Gradually, pharmacist remuneration levels appear to be demonstrating a turnaround, with signs of wage growth. A significant shift in the proportion of pharmacists earning \$30-\$40/hour up to \$40-\$50/hour was demonstrated in 2018. Owner/owner managers are financially rewarding pharmacists for the provision of services, with pharmacists dedicated solely to the delivery of professional services earning more than other pharmacists. It appears that the financial incentives for service provision are becoming more apparent with employed pharmacists beginning to feel the effect through wage increases.

Grave concern over decreasing confidence and preparedness displayed by pharmacists when dealing with biosimilar medicines has been expressed. With levels lower than those reported in wave 7 in 2017 there appears to be a need to support the education of pharmacists in this area. The 'Biosimilar Awareness Initiative' provided by the Department of Health is doing little to boost pharmacist readiness to handle biosimilar medicines in practice. Greater support in facilitating this opportunity is required.



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ISSN 2208-0880 (Online)

ISSN 2208-0872 (Print)

**pharmacy.uts.edu.au/barometer2018**

