SHPA response to draft IHACPA Work Plan and Corporate Plan 2024-25, April 2024

The Society of Hospital Pharmacists of Australia (SHPA) is the national, professional organisation for the 6,100+ Hospital Pharmacists, and their Hospital Pharmacist Intern and Hospital Pharmacy Technician colleagues working across Australia's health system, advocating for their pivotal role improving the safety and quality of medicines use. Hospital pharmacists are core to medicines management and optimising the safe and quality use of medicines in all setting of a hospital, whilst also contributing to system-wide governance activities to reduce medicine complications and hospital-acquired complications (HAC) stemming from medicines. The role of hospital pharmacists are highlighted in 12 out of the 16 HAC information kits published by the Australian Commission for Safety and Quality in Health Care (the Commission).

SHPA welcomes the opportunity to provide feedback on the Independent Hospital and Aged Care Pricing Authority's (IHACPA) draft *Work Program and Corporate Plan 2024-2025*. SHPA broadly supports the proposed draft, however, would like to highlight several points relating to a range of proposed key activities.

Ahead of this, SHPA would also like to draw IHACPA's attention to two government reports released in the last few months that, depending on the government's response to its recommendations while the next National Health Reform Agreement (NHRA) is being negotiated, may have significant impact on how medicines are funded and accessed in public hospitals.

- Recommendation 28 of the NHRA Mid-term Review Final Report[1] recommends that a new NHRA should *'deliver nationally consistent access to medicines across the care continuum'* which would *'replace Pharmaceutical Reform Arrangements (PRAs) and require negotiations with, and preparations by, New South Wales and Australian Capital Territory for access to Pharmaceutical Benefits Scheme (PBS) medicines in public hospitals for admitted patients on discharge, non-admitted patients and same day admitted patients.'*
- The Pharmaceutical Reform Agreement (PRA) Review Report[2] recommended for PRAs to be included into the next NHRA, and provided further recommendations to remove barriers to medicine access in public hospital if this recommendation was not taken up.

In 2023-24, public hospitals accounted for $2.7 billion of PBS expenditure. SHPA recommends that IHACPA stays across any government decisions in response to recommendations made by these reviews and assess the impact it would have public hospital activity with relation to medicines access and pharmacy services. If PRAs were folded into the current NHRA, this would mean PBS medicines access would account for 8.6% of Commonwealth NHRA funding in 2023-24.

Developing a work plan and commencing a review of all pricing model adjustments, including the paediatric and intensive care unit adjustments and eligibility criteria.

In developing its border work plan, SHPA urges IHACPA to consider the significant time investment required by hospital pharmacists, as well as medical and nursing staff, in managing patients on complex medication regimens. This is particularly crucial for patients taking medicines that require complex titrations, or those prescribed high-risk medicines. The complexity inherent in these medications and regimes demand meticulous oversight and constant monitoring and adjustments, which are resource-intensive. The cost associated with the care of these complex patients are essential in meeting National Safety and Quality Health Service Standards and should be considered in IHACPA's review of all pricing model adjustments.

In addition, costs of, and associated with the administration of high-cost medicines for inpatients, are not reflected in current patient data and therefore not accounted for although contribute significant costs to health services. Our members often report on access challenges when inpatients require access to these medicines

due to the costs involved, as current funding measures are unable to sufficiently ensure comprehensive access to medicines inpatients require, particularly for high-cost therapies. SHPA calls for the Activity Based Funding (ABF) to recognise and account for these high-cost therapies for inpatients in the most appropriate way.

Reviewing the appropriateness of price harmonisation of admitted and non-admitted chemotherapy and hospital delivered dialysis.

Harmonisation of prices for both admitted and non-admitted chemotherapy and hospital-delivered dialysis has the capacity to achieve greater equity and standardisation, and remove perverse incentives that would prioritise admitted vs non-admitted care that does not place the patient at the centre. However, it is imperative to safeguard against any potential decrease in funding throughout this process. There are a wide variety of pharmacist-led outpatient services that can be undertaken by hospital pharmacists to ensure safe and effective use of medicines in patients, ultimately reducing the cost of medication-related problems on the hospitals and healthcare system through reduced readmissions. However, these services are not appropriately funded due to caps to annual hospital funding growth leading to prioritisation of funding for admitted services over non-admitted services.

While the issues relating to cap in annual hospital funding growth is a matter for government policy and likely to be reviewed ahead of the next NHRA, this price harmonisation exercise should prioritise meeting the levels allocated to the more comprehensively resourced services that demonstrate achievement of quality and safety, rather than purely approaching it from a cost-containment approach which may not support the delivery of quality services.

Additional consideration should be given to medicine funding rules that differ for admitted and non-admitted patients. Non-admitted patients in all jurisdictions except NSW and ACT, are covered for access to PBS medicines by the PRAs, while all in-patients including day-admitted patients are not, except for access to S100 Highly Specialised Drug Program (HSDP) medicines. This adds a further layer of complexity to harmonisation across care settings.

Undertaking a horizon scan of Australian and international virtual models of service delivery and care, and associated funding arrangements

SHPA welcomes IHACPA's proposed undertaking of a horizon scan of Australian and international virtual models of service delivery and care, alongside their associated funding arrangements. The COVID-19 pandemic hastened the evolution of hospital operations, with accelerated implementation and upscaling of telehealth, e-prescribing and virtual care.[3,4] SHPA members across the country are working in innovative hospital pharmacy-based models including virtual pharmacy to inpatients in rural and remote NSW hospitals,[5] centralised telehealth antimicrobial stewardship services in Queensland, telehealth services for cardiology patients in rural Victoria,[6] and telechemotherapy for patients in rural Western Australia.[7]

SHPA requests to be included in IHACPA's prospective horizon scan initiative to contribute valuable insights and perspectives towards shaping future healthcare policies and strategies, ensuring equitable access to high-quality pharmacy services across diverse geographic settings.

Developing pricing advice to inform Australian Government decisions on residential aged care and respite care funding, and consulting on the development of the Pricing Framework for Australian Residential Aged Care Services 2025–26

In developing pricing advice to inform the Australian Government's decisions on residential aged care and respite care funding, IHACPA should be aware of services being delivered into aged care through other Commonwealth funding streams such as the Aged Care On-site Pharmacist (ACOP) Program, due to begin on 1 July 2024. It is anticipated the ACOP Program will have tiered uptake, and is also dependent on the

aged care facility implementing the Electronic National Residential Medication Chart throughout their facility. It will also run alongside the Residential Medication Management Review (RMMR) program, which will remain accessible in aged care facilities that do not participate in the ACOP Program.

References

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[2] Department of Health and Aged Care. (2024). Pharmaceutical Reform Agreement Review Report. Accessed at: https://www.pbs.gov.au/info/reviews/pharmaceutical-reform-greement-pra-review-report

[3] Australian Digital Health Agency. Telehealth. Accessed at: https://www.digitalhealth.gov.au/initiatives-and-programs/telehealth

[4] . Australian Digital Health Agency. (2024). Electronic prescriptions. Accessed at: https://www.digitalhealth.gov.au/initiatives-and-programs/electronic-prescriptions

[5] Chambers B, et al. (2022). Virtual clinical pharmacy services: A model of care to improve medication safety in rural and remote Australian health services. AM J Health-Syst Pharm 2022/ Early access published 2022 Mar 15; https://doi.org/10.1093/ajhp/zxac082

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[7] WA Country Health Service. (2021). TeleChemotherapy comes to Narrogin and Broome. Accessed at: https://wacountry.health.wa.gov.au/ News/2021/01/07/TeleChemotherapy-comes-to-Narrogin-and-Broome