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## PBS reform tipped to hurt

**Mark Gertsakis**

PBS REFORM will continue to squeeze pharmacists despite wholesale margin provisions secured in the negotiations on the Fifth Community Pharmacy Agreement, a prominent economist has warned.

Speaking at this year's APP conference on the Gold Coast, Access Economics director Professor Ian Harper warned that PBS reform would "shave down" the seven per cent wholesale margin agreed in the agreement and hit pharmacy margins.

"You could be mistaken to think that PBS reform is just about taking money from big multinational pharmaceutical companies," Prof Harper told delegates.

"It is about taking money from the entire value chain – manufacturers, wholesalers and retailers."

His comments on the weekend

pre-empted allegations in today's *Daily Telegraph* newspaper that the Federal Government was preparing to cut as much as \$2 million from the PBS in its upcoming Budget.

Prof Harper presented estimates tipping a cut of between 0.88 and 1.37 per cent to the seven per cent wholesale margin by 2014-15 which, he said, could amount to a \$25,000 reduction in profits at each pharmacy.

"There is no let up from the pressure we can expect from the Commonwealth as it seeks it to keep our public finances in place," Prof Harper told the conference.

"Because the PBS, amongst other health outlays within the Budget, is one of the fastest growing components, we can expect that pressure to be relentless."

While a spokesperson for Health Minister Nicola Roxon refused to comment on "budget speculation"

in the *Daily Telegraph*, she said the Government would want to make sure that the PBS was "financially sustainable into the future".

The Government's attempts to yield savings from the PBS, however, hit a snag last week when its plan to implement new therapeutic groups in April for drugs that treat depression, osteoporosis and Paget's disease – a saving of more than \$48 million – was disallowed by an Opposition motion in the Senate.

"This appears to be an ill-thought-through savings measure with a lack of consultation with the industry and, importantly, GPs who may have to explain this change to patients," Liberal Senator Concetta Fierravanti-Wells told the Senate.

"There are many patients who rely on the PBS for access to the medicines affected by the proposed therapeutic goods."

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## Guild promises a new roadmap for pharmacy

**Simone Roberts**

THE Pharmacy Guild of Australia will soon release a strategic plan for the future development of professional services.

Outlining the plan at the APP conference, Guild president Kos Scavos said it was important to explain the broad strategy to the profession and the wider health community.

The document now being drafted by the Guild will be titled *The Roadmap – the Strategic Direction for Community Pharmacy*.

Mr Scavos said a focus for the Guild would be to develop a greater scope of national

pharmacy programs.

The report will also help identify how to better use the network of 5,000 Australian community pharmacies and highlight specific areas and opportunities for innovation in community pharmacy health services, including the expansion of existing professional services.

"Under the leadership of the Guild, the public's expectation of services available in a community pharmacy will increase significantly over time," a statement from the Guild said.

"The role of the Guild will be to do everything possible to ensure these expanded services are

delivered and marketed effectively and appropriately."

The Guild will finalise and release the roadmap later this year, after the Federal Government formally responds to those parts of its major health reviews relating to aged care, primary care, emergency care and preventive health.

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**CORRECTION:**

In the 10 March edition of *Pharmacy eNews*, Associate Professor Parisa Aslani was said to be from Monash University. She is, in fact, from the University of Sydney. We apologise for the error.

## Roxon's vision for pharmacy

Simone Roberts

HEALTH Minister Nicola Roxon has told pharmacists there would be opportunities for them to make a much greater contribution in a reformed health system.

Ms Roxon delivered the keynote address at this year's APP conference just over a week after the release of the Government's national health reform agenda.

Changes to the health system, including the Government's commitment to fund 60 per cent of hospital costs and assume full policy and funding responsibility for primary health services, was of key interest to pharmacy, she said.

"Pharmacy will have a major role to play in the primary care system of the future," she said.

"In this reformed system, there will be opportunities for pharmacists to make a much greater contribution. I hope that pharmacy will seize these opportunities in the future – enhancing their role and providing better services for patients."

Ms Roxon's speech came as



**PHARMACY NOT FORGOTTEN:** Federal Health Minister Nicola Roxon promises a "major role" for pharmacists in primary care at this year's APP conference on the Gold Coast.

the Guild and the Government put the final touches on the Fifth Community Pharmacy Agreement.

The minister said the current economic climate meant tough decisions had to be made including a \$1 billion cut to forecast spending for community pharmacy.

She also said better information and accountability were areas where pharmacies could improve.

"Consumers have told us

that they don't have enough information about their medicines and services available to them from community pharmacies," she said.

"They also want better delivery of services by the pharmacist and clearer accountability. I believe the fifth agreement will deliver the right balance on those needs and wants and will ultimately leave all sides satisfied."

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## Sigma vows to stay in Australia

GENERIC drug maker Sigma Pharmaceuticals has promised to keep its manufacturing operations in Australia despite plans to close a Herron plant in Queensland.

In the wake of a spate of redundancies that led to a workers' strike last month, Sigma said the manufacturing capacity of the Tennyson plant would be transferred to plants in Victoria and NSW.

"Sigma is committed to manufacturing in Australia and have no plans now or in the future to export jobs by outsourcing any of the products currently manufactured at Tennyson in Queensland to any overseas country," Sigma chief executive Elmo de Alwis said.

"While we regret the need to close the Tennyson plant, and the fact that employees who choose not to seek alternative employment at Sigma's other manufacturing sites will not have an opportunity for ongoing employment with the company, we are very pleased to be creating over 90 jobs at our Dandenong site in Victoria, where the products manufactured at Tennyson will be made in future."

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