

A DATA DEMONSTRATION OF COMMUNITY PHARMACY'S VALUE

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This year has been unprecedented and challenging for everyone, due to the unforeseen Covid-19 pandemic. Community pharmacy, as an essential service, has uniquely been at the forefront of experiencing and helping to tackle the immediate impact of Covid-19. Its importance to patients as well as the resilience of the community pharmacy network has been highlighted in 2020.

Despite the challenges posed by Covid-19, the experience this year highlights the opportunities to further utilise community pharmacies beyond 2020 for the benefit of patients and the wider health system.

A shock on many levels

The loss of life, ongoing health conditions and curtailing of Australians' expected way of life due to Covid-19 cannot be understated.

The economic shock has also been pronounced, with the federal government describing this period as the most severe global economic challenge since the Great Depression. Australia experienced its first recession in 30 years, with unemployment topping the one million mark and Australia's economy contracting by seven per cent in the three months to June 2020, with a 3.75 per cent fall expected for this calendar year.

Households quickly retreated from spending on many goods and services, primarily due to uncertainty around employment and income growth. Some estimates suggest Australians saved 20 per cent of their income in the June quarter alone. Consumer price inflation fell by 1.9 per cent in the June quarter of 2020, relative to the previous year. What remained of consumer spending during the onset of the pandemic quickly switched to online, given the restrictions posed by Covid-19. For example, online retail sales growth averaged 80 per cent in the three months to August.

Community pharmacies haven't been immune to the economic pain, but have also shown resilience. Comparative data from various sources, such as GuildData,



demonstrates the unprecedented nature of 2020 for community pharmacy.

Dispensing prescriptions

Compared with previous years, Covid-19 has caused unanticipated surges and volatility in the volumes of prescriptions dispensed. There is no historical comparison to the dispensing experience of, particularly, the first half of 2020.

During March 2020 alone, community pharmacies dispensed 30.7 million medicines. This is a 23 per cent increase compared with the same month last year and the highest monthly number of prescriptions dispensed on record. On average this is about 5400 prescriptions per pharmacy for the month. Chart 1 shows this unanticipated spike in dispensing activity.

The chart shows the only comparable spike in dispensing in recent years is December 2015, when there were 29.6 million prescriptions dispensed. The difference is that the heightened volume in December each year is anticipated because it's associated with patients reaching their safety net thresholds by the end of their calendar year, and hence more prescriptions

are dispensed. Further to this, the December 2015 peak was exacerbated by stockpiling of Panadol Osteo among other OTC items that were scheduled for delisting or tightened restrictions in January 2016. The decision to delist or tighten restrictions on these items was made by the Pharmaceutical Benefits Advisory Committee as far back as July 2015.

In other words, community pharmacists anticipate and can plan for the regular December peak, whereas March 2020 was unanticipated. This meant that the network had to be even more agile in 2020: additional staffing and hours were needed to meet the unforeseen spike in demand. Issues such as medicine and other shortages became paramount considerations for patients and community pharmacies alike, as did the flexibility for community pharmacies to roster staff to meet peak demand.

Just as the March 2020 period was unprecedented, the network was also not certain as to what the short-term trend in dispensing activity would be from March 2020 onwards. Would the March experience become the 'new normal'? Well, the opposite occurred:

The March spike quickly dissipated, and April and May 2020 dispensing volumes were nine and 11 per cent lower, respectively, than they were during the same months in 2019. Again, while the network anticipates slower growth to be the case in January each year when PBS safety nets are reset, this was uncharted territory for the middle of the calendar year.

OTC medicines and other critical products

OTC medicine sales also spiked in March as patient concerns about supply of essentials were paramount. As expected, Covid-19 related goods such as personal protective equipment, masks and sanitiser were especially in great demand.

A trusted healthcare and advice destination

Community pharmacy continues to be very much the most accessible health destination for patients across all parts of Australia. The accessibility of community pharmacies as a healthcare destination during both the initial widespread and subsequent more contained waves of Covid-19 is evident in data on the number of patients visiting pharmacies, driven in part by the closure of or restricted access to GP services.

Without community pharmacies being open and accessible, many of these patients would have visited emergency departments, putting additional strain on hospitals that were already stretched with pandemic-related care, restrictions and preparations. Community pharmacy's essential and irreplaceable role in managing common ailments has never been so visible.

GuildData shows, during both waves, equally large spikes of up to 30 per cent in certain weeks for the unique number of patients visiting pharmacies, relative to the same time last year. Chart 2 shows this increase in the number of visits to community pharmacies.

Moreover, the 'NAB Australian Consumer Health Survey 2020' indicates that over the three months to September 2020, the most frequently visited health service in Australia was a pharmacy, with almost double the number of visits to a GP. Pharmacists were also rated the most accessible health service provider during this period.

During this period of uncertainty, apart from community pharmacists

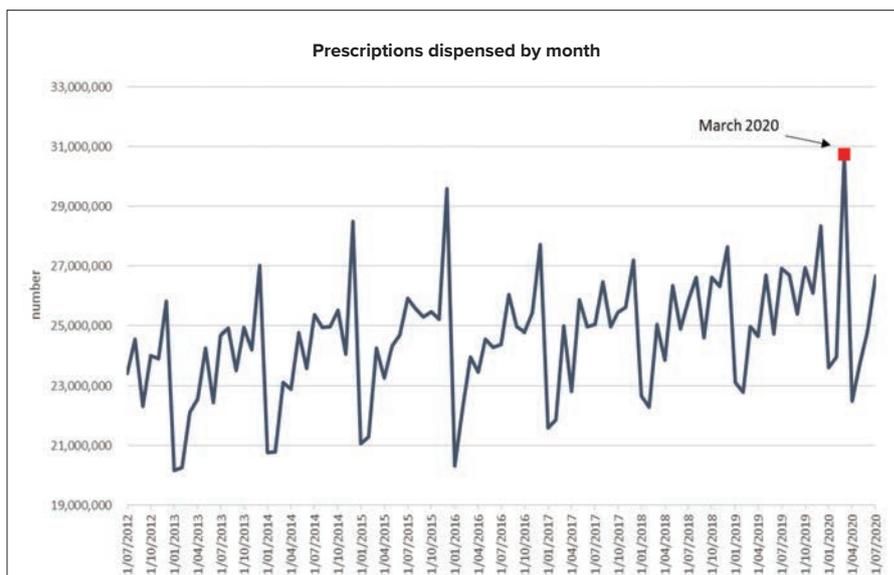


Chart 1: Prescriptions dispensed by community pharmacies by month, 2012 to 2020
Source: PBS Date of Supply Data

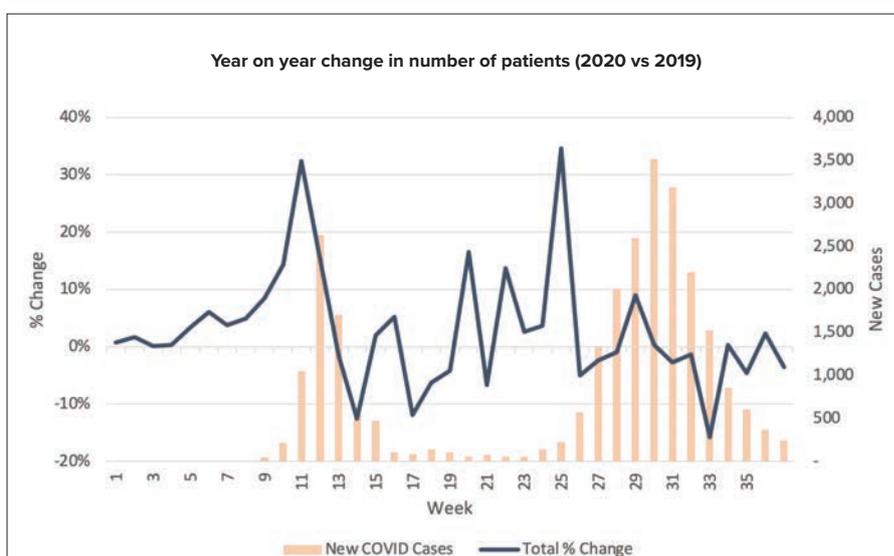


Chart 2: Growth in number of patients visiting community pharmacies during Covid-19
Sources: GuildData (n = 397 pharmacies), www.covid19data.com.au

attending to the clinical needs of their patients through dispensing and providing a range of valuable community pharmacy programs, they have assisted in many other ways. For example, survey research shows that, among other things, community pharmacists personally delivered medications, visited the sick in their homes, provided unpaid counselling, frequently worked extended hours to accommodate patient needs, and in some cases organised and personally provided transport to appointments for patients.

Opportunities for long-term reforms

This year highlights the important role community pharmacies can feasibly continue to play into 2021 and beyond. For example, total vaccinations

administered by community pharmacies grew by 56 per cent in 2019-20 compared with the previous year, largely driven by growth in dTpa (24.5 per cent) and influenza (57.6 per cent) vaccinations. Community pharmacies are an accessible health destination for administering the Covid-19 vaccines when these become available, but also a wider range of regular vaccines.

One critical reform for the benefit of patients is expansion of the PBS continued dispensing arrangements. Continued dispensing has been met by pent-up demand among patients, with GuildData showing a five-fold rise between March 2020 and April 2020, allowing patients the ongoing support they need in difficult circumstances.

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This is an important reform measure that could be made permanent to assist patients, recognising it is part of community pharmacists' full scope of practice. Continued dispensing ticks the boxes as a smart long-term reform that governments at both state/territory and federal levels should be pursuing.

The Covid-19 experience also highlights other areas where the valuable network of community pharmacists can be utilised to the benefit of patients and the wider health system. For example, embedding community pharmacists in primary healthcare through the establishment of an in-pharmacy consultation style model for professional services has tangible benefits beyond the Covid-19 period for patients, the wider health system and the public purse. This is not an untested experiment: community pharmacists are highly trained and are already providing services. Australia lags similar international jurisdictions in utilising community pharmacists in this way.

Another transformative reform that was already underway but has been accelerated because of Covid-19 is the use of electronic prescriptions (e-scripts) as an alternative to traditional paper-based prescriptions. The benefits of e-scripts are obvious: prescribing and dispensing medicines can be more efficient through a reduction in prescribing and dispensing errors and removing the need for handling and storing a physical paper prescription. Moreover, e-scripts complement services such as telehealth (another innovation that has accelerated during the Covid-19 period) in overall patient care.

There is some way to go in e-script implementation – with e scripts being implemented in Covid-19 hotspot areas before being more widely utilised. The Active Script List model of e-scripts will enable community pharmacists, authorised by their patients, to access an up to date and complete record of currently prescribed medicines, creating benefits for medication management and safety.

The 'digitalisation' of many aspects of healthcare provision will continue beyond 2020, with recent surveys of the community pharmacy network indicating an increasing interest in adopting technologies such as artificial intelligence, further use of robotics and click-and-collect facilities.

Seventh Community Pharmacy Agreement (7CPA)

The Covid-19 period has overlapped with the beginning of the 7CPA.

The Guild secured an estimated \$1.132 billion increase in dispensing remuneration for community pharmacies relative to the 6CPA for above co-payment prescriptions dispensed. Community pharmacy programs funding will also grow over the life of the 7CPA.

Each five-year agreement has encapsulated some reform and innovation with patients in mind. The 7CPA is no different. For example, the 7CPA recognises the Guild's support for the development of the government's 10-year Primary Health Care Plan. Moreover, the 7CPA provides the foundation for measures to enhance innovation that improve patients' access to medicines, information and other health services. Areas of focus will include:

- eHealth and e-prescribing initiatives.
- Measures that promote access to affordable medicines.
- Mental health related initiatives.
- Initiatives to be developed in response to recommendations from the Royal Commission into Aged Care Quality and Safety.
- Enhanced pharmacy programs assessed as being suitable for ongoing funding.

The 7CPA also provides the backbone for pharmacy viability during these turbulent and highly uncertain times, giving confidence to the millions of patients that rely on local and accessible healthcare that community pharmacies have always provided. For example, a dispensing remuneration guarantee has been introduced for the first time. This will ensure there is no repeat of the shortfall in total dispensing remuneration that occurred over the 6CPA, providing certainty to both the community pharmacy network and the federal government.

Conclusion: a post pandemic future

As expected, around eight in 10 community pharmacies are refocused on increasing already high standard hygiene practices for customers and staff. More fundamentally, most community pharmacists have indicated they're likely to restructure their offerings to meet changing consumer needs in a post pandemic environment.

YOY change in number of patients (2020 vs 2019) vs Covid cases

Source: GuildData (n = 397 pharmacies), www.covid19data.com.au

Week	Unique Patients % Change	New Weekly COVID Cases
1	1%	-
2	2%	-
3	0%	4
4	0%	8
5	3%	3
6	6%	-
7	4%	5
8	5%	8
9	8%	52
10	14%	217
11	32%	1,055
12	15%	2,632
13	-2%	1,709
14	-12%	631
15	2%	476
16	5%	104
17	-12%	86
18	-6%	140
19	-4%	109
20	17%	60
21	-7%	80
22	14%	61
23	3%	59
24	4%	140
25	35%	224
26	-5%	573
27	-2%	1,345
28	-1%	2,003
29	9%	2,596
30	0%	3,515
31	-3%	3,189
32	-1%	2,204
33	-16%	1,524
34	0%	858
35	-5%	609
36	2%	371
37	-4%	248

Innovation is occurring at the individual business level, with examples of some pharmacies setting up triage desks at the entrance to their premises, enhancing home deliveries, mobile EFTPOS and click and collect, and forming closer relationships with other healthcare providers, especially medical specialists and community care organisations. The path to community pharmacy premises becoming integrated health destinations continues, with a greater range of prescribing options, including, for example, providing consultation rooms staffed by pharmacists and other health professionals.

The challenge now is for policy and decision-makers at all levels of government in Australia to recognise the valuable contribution community pharmacies have made during the Covid-19 period and to embed these successes through long-term reforms that better utilise the community pharmacy network to deliver primary healthcare in an accessible and effective way to patients.