



Pharmacy Barometer

2023

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Background

UTS Pharmacy

UTS Pharmacy is an innovative school established in 2011 to address the emerging needs of the pharmacy profession. As the first course area within the UTS Graduate School of Health, it provides innovative, practice-based pharmacy education and high impact research that improves the quality use of medicine. The School is proud to offer an innovative, student focused approach for highly motivated, career minded students. Over the last few years, it has successfully established itself as the program of choice for graduates who wish to have a career as pharmaceutical services providers and managers. UTS: Pharmacy offers three Masters by coursework degrees, two leading to be eligible to register as a pharmacist; the Master of Pharmacy and Master of Pharmacy (International), and the Master of Good Manufacturing Practice. 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 specialize or diversify their skills to best suit their career needs. 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. 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 (NYSE:IQV) is a leading global provider of advanced analytics, technology solutions and clinical research services to the life sciences industry. IQVIA creates intelligent connections across all aspects of healthcare through its analytics, transformative technology, big data resources and extensive domain expertise. IQVIA Connected Intelligence™ delivers powerful insights with speed and agility – enabling customers to accelerate the clinical development and commercialization of innovative medical treatments that improve healthcare outcomes for patients. With approximately 86,000 employees, IQVIA conducts operations in more than 100 countries. Learn more at www.iqvia.com

The Commonwealth Bank of Australia

CommBank takes a holistic view of Australia's health ecosystem and the complex inter-relationships which exist between the broad range of providers, multiple funding streams and the regulatory framework under which it operates. CommBank recognizes that pharmacies form a critical part of the overall health and primary care market. We have a dedicated team of expert national healthcare bankers who provide industry specific banking solutions to help pharmacies drive operational and financial efficiencies.

Through data driven insights, CommBank supports our pharmacy clients in identifying and capitalizing on the emerging trends and opportunities presented by an increasingly digitally driven health system. Our focus on innovation and technology solutions enables us to support our clients as they deepen their understanding of changing customer needs and develop differentiated and customized propositions to remain competitive within an increasingly dynamic industry landscape.

CBA has funded the independent research which was undertaken by UTS Pharmacy and IQVIA. The views expressed in the report are not supported by CBA.

The growing landscape of community pharmacy in Australia

As at November 2023 there are 5,901 community pharmacies in Australia. Community pharmacies represent the most frequently accessed health destination, with over 333.2 million individual patient visits annually, and the average person visiting a community pharmacy 18 times per year in metropolitan, rural and remote locations¹. Community pharmacy plays a pivotal role in providing primary healthcare and delivering a range of services to the community.

The Seventh Community Pharmacy Agreement (7CPA) was introduced on 11th June 2020 and is due to expire in June 2025². It represents an \$18.3 billion agreement over the five-year period compared to the \$16.8 billion agreement included in the 6CPA. The 7CPA comprises \$16.0 billion in pharmacy remuneration for dispensing Pharmaceutical Benefits Scheme (PBS) subsidized medicines, \$1.2 billion for selected professional pharmacy programs and 1.1 billion for the Community Service Obligation and National Diabetes Services Scheme product distribution arrangements.

The professional pharmacy programs administered under the 7CPA are²:

- Home Medicines Review.
- Residential Medication Management Review and Quality Use of Medicines Program.
- MedsCheck and Diabetes MedsCheck.
- Dose Administration Aids Program.
- Indigenous Dose Administration Aids Program.
- Staged Supply Services Program.

In addition, the expansion of the scope of practice for community pharmacists is being promulgated by State governments. In Queensland an evaluation of pharmacist prescribing for uncomplicated urinary tract infections has taken place and has now become usual practice in that State³. New South Wales have followed with trials in uncomplicated urinary tract infections starting in July 2023 as well as the oral contraceptive pill in September 2023⁴. The trend of increasing the use of community pharmacy and pharmacists to deliver primary health care is expected to gain further momentum and could have a major impact on the profession nationally and internationally.

¹ The Pharmacy Guild of Australia. 2023. Vital Facts on Community Pharmacy. https://www.guild.org.au/_data/assets/pdf_file/0028/132994/Vital-Facts-October-2023.pdf Accessed 22 Nov 2023.

² Australian Government, Department of Health, 2020, Seventh Community Pharmacy Agreement, <https://www.health.gov.au/topics/primary-care/what-we-do/7cpa> Accessed 22 Nov 2023.

³ The Pharmacy Guild of Australia. 2022. UTI program now permanent in Qld. <https://www.guild.org.au/news-events/news/forefront/v12n10/uti-program-now-permanent-in-qld#:~:text=%E2%80%9CFrom%20201%20October%202022%2C%20women,or%20visiting%20an%20emergency%20department.%E2%80%9D> Accessed 22 Nov 2023.

⁴ NSW Government. 2023. NSW Pharmacy Trial. <https://www.health.nsw.gov.au/pharmaceutical/Pages/community-pharmacy-pilot.aspx> Accessed 22 Nov 2023.

60-day prescriptions of Pharmaceutical Benefits Scheme medicines

The Pharmaceutical Benefits Advisory Committee (PBAC) recommended that it is clinically safe and suitable to allow the dispensing of a 60-day supply of prescriptions for certain molecules for eligible patients instead of the standard 30-day prescriptions. Following this recommendation, the Department of Health and Aged Care implemented a new policy from September 2023. To receive such a prescription, patients must live with an ongoing health condition, be assessed by their prescriber (medical practitioners, nurse practitioners and optometrists) as being stable on their current medication and have discussed their medication with their prescriber⁵.

Over 20 health conditions were identified as suitable for the increased quantity of medication including asthma, cardiovascular disease, chronic obstructive pulmonary disease (COPD), diabetes, depression and epilepsy. From September 2023 to September 2024, 325 PBS listed medications will become eligible for 60-day supply over three stages (September 2023, March 2024 and September 2024).

The savings for eligible patient contributions for these medicines are estimated to reach more than \$1.6 billion over the next 4 years⁵. An eligible patient who pays the \$30 general co-payment for their PBS medicines will receive 60 days' worth of medication for the cost of 30 days. Savings

will be less where the cost of the medication is below the maximum \$30 PBS general co-payment amount and/or additional manufacturer surcharges are applicable. The Government has announced that all money saved from reduced dispensing fees paid to pharmacies for the supply of 60-day prescriptions will be reinvested back into the industry. Services such as the National Immunization Program and the Opioid Dependence Treatment Program may have their funding increased⁵.

The Pharmacy Guild of Australia released a report in June 2023 written by Henry Ergas AO which has claimed to quantify the potential negative outcomes for the community pharmacy industry in relation to the Government's 60-day dispensing policy implementation⁶. The estimated reduction in community pharmacy revenue was \$4,532.9 million over four years in nominal terms. This reduction in revenue was attributable to the estimated loss in dispensing revenue and retail sales caused by a reduced number of visits to community pharmacies. Additional impacts were identified in the report such as community pharmacy closures (estimated to be between 200 and 600) and employment loss in the sector (estimated to be between 7,800 and 20,000).

As a result of the new policy, in August 2023, the Pharmacy Guild and the Government agreed to bring forward negotiations to securing a new 8th Community Pharmacy Agreement by March 2024.

⁵ Australian Government, Department of Health and Aged Care. 2023. Cheaper medicines. <https://www.health.gov.au/cheaper-medicines> Accessed 22 Nov 2023.

⁶ Ergas, H. 2023. 60-day dispensing: an analysis of likely impacts and key policy issues. A report for the Pharmacy Guild of Australia. https://www.guild.org.au/_data/assets/pdf_file/0011/132410/ergas-review.pdf Accessed 22 Nov 2023.

The UTS Community Pharmacy Barometer™

UTS Pharmacy developed the Community Pharmacy Barometer™ in response to industry challenges and perceived gaps in knowledge about the impact of policy and practice changes on community pharmacy businesses and professional practice. The UTS Community Pharmacy Barometer™ is the first independent 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 perceptions of the viability of the pharmacy business, the profession, 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. Due to the significant policy change implemented in September 2023 for 60-day dispensing, this Barometer report focuses solely on the impact of this policy. Fieldwork for this 13th Barometer report was undertaken in October 2023 (5 weeks after the implementation of the 60-day dispensing on the 1st September 2023) and includes a comparison of pharmacists' perceptions in May 2023 (after the announcement of the new measures on the 26th April 2023).

The expert panel comprises UTS Graduate School of Health Head of Discipline Pharmacy and Professor of Pharmacy Practice Professor Kylie Williams, UTS Pharmacy Industry Fellow John Montgomery, Pharmaceutical Society of Australia (PSA) Board Director Warwick Plunkett, former PSA National President John Bell, Emeritus Professor Shalom (Charlie) Benrimoj, and Dr Victoria Garcia-Cardenas.

Methodology and analysis

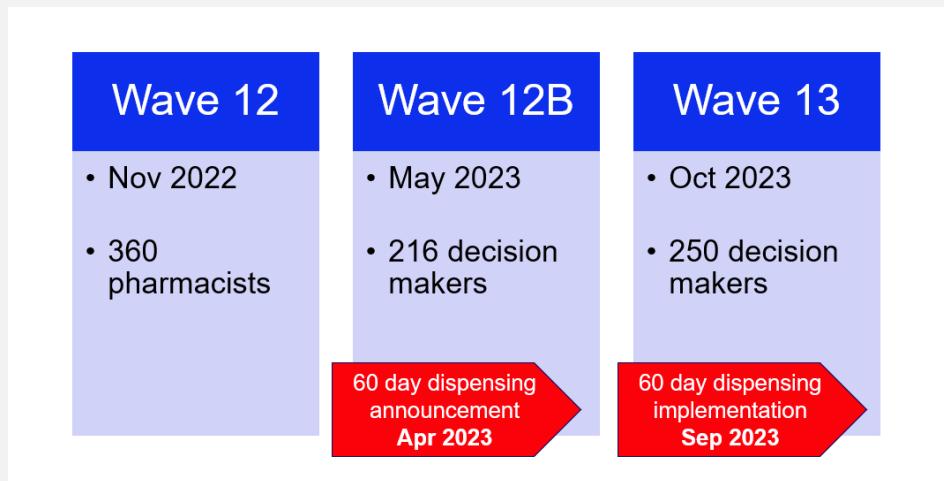
The report maintains questions from previous UTS Pharmacy Barometer questionnaires designed to assess the confidence of pharmacists in their business in the short (one year) and medium-term (three years). This thirteenth wave of the Barometer™ (2023) is focused on the perceived impact of the now implemented 60-day dispensing policy.

The 2023 survey included below, was created in collaboration with IQVIA and the University of Technology Sydney pharmacy expert panel.

Data collection for wave 12B and wave 13 occurred in May and October 2023, respectively, with an invitation to

participate in the online survey emailed to the pharmacists on the IQVIA online panel. In wave 12B (May 2023), decision makers from the sample that responded to the previous wave in 2022 (wave 12) were included. In wave 13, a different decision maker sample from the IQVIA online panel of 1,000 pharmacists was included. The sample for this wave 13 report is slightly smaller (N=250 in 2023 compared to N=360 in 2022), partly due to the inclusion of decision makers only (pharmacy managers/pharmacists in charge and owners/owner-managers) (Figure 1).

Figure 1. Sample included in the Barometer™ in the last three waves



This report does not include employed pharmacists as the aim was to evaluate measures implemented in pharmacies such as changes in staff, pharmacy services or opening hours,

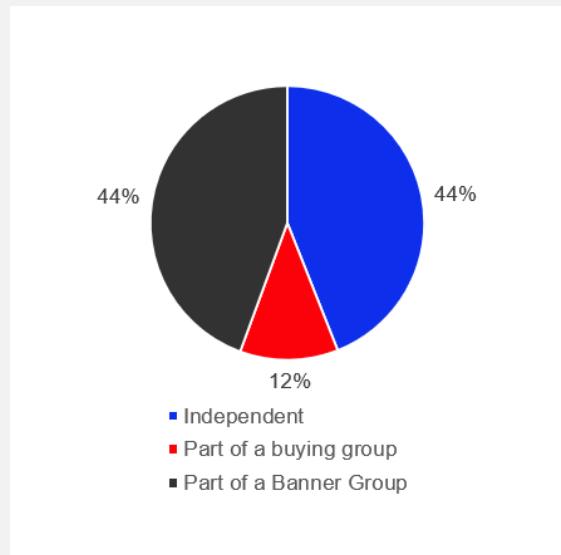
which are the responsibility of pharmacy managers and owners. Therefore, the sample is different to the usual UTS Community Pharmacy Barometer™ sample (Table 1).

Table 1. Type of Role in the Pharmacy in wave 12 (N=360) and wave 13 (n=250)

| | Wave 12 | Wave 13 |
|---|---------|---------|
| Employed pharmacist | 12% | 0% |
| Owner / Owner manager | 50% | 34% |
| Pharmacist manager / Pharmacist-in-charge | 38% | 66% |

The questionnaire also captures the type of pharmacy respondents work in, with percentages remaining similar to previous year wave 12 from 2022 (independent: 41%; banner: 44%; and buying group: 15%).

Figure 2. Type of Pharmacy in wave 13 (n=250)



The sample is quite similar to the previous year with respect to State and Territory with the majority of pharmacies being located in city areas rather than rural. New South Wales

remains as the state with the largest number of respondents (37%, n=92 in 2023 compared to 35%, n=126 in 2022) (Table 2).

Table 2. State and Territory breakdown of respondent pharmacists in wave 12 (N=360) and wave 13 (n=250)

| State of Territory | Wave 12 (2022) | Wave 13 (2023) |
|------------------------------|----------------|----------------|
| Australian Capital Territory | 1% | 1% |
| New South Wales | 35% | 37% |
| Northern Territory | 1% | 0% |
| Queensland | 18% | 17% |
| South Australia | 9% | 9% |
| Tasmania | 2% | 3% |
| Victoria | 25% | 24% |
| Western Australia | 9% | 10% |

Sub analyses were also carried out on the location of the respondent pharmacists to evaluate possible differences, with

most pharmacists located in major cities (81% n=292 in wave 12 and 76% n=190 in wave 13) (Table 3).

Table 3. State and Territory breakdown of respondent pharmacists in wave 12 (N=360) and wave 13 (n=250)

| Location | Wave 12 (2022) | Wave 13 (2023) |
|---------------------------|----------------|----------------|
| Inner Regional Australia | 11% | 15% |
| Major Cities of Australia | 81% | 76% |
| Outer Regional Australia | 6% | 7% |
| Remote Australia | 2% | 2% |

UTS Community Pharmacy Barometer™ - 2023

The UTS Community Pharmacy Barometer™ measure was derived from 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 three 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?

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.

60-day prescriptions of PBS medicines

In addition to the Barometer™ measure question above, additional questions were asked about measures implemented due to the 60-day dispensing policy that may affect community pharmacy both professionally and economically. These questions focus on changes in community pharmacy staffing, professional services, patient charges for services previously offered for free, opening hours and range of products in the pharmacy.

1. How do you estimate that your pharmacy's net profits will be impacted by the 60-day dispensing? Increase / Decrease / Remain the same / Not sure

1.1 If "Increase" or "Decrease": Please indicate how much you think your pharmacy's net profits will change. [] % change

2. What strategies have you implemented in your pharmacy as a result of the government introduction of the 60-day dispensing?

2.1 Reduced the number of pharmacists employed or their hours? Yes / No

If "Yes": How many pharmacist hours per week in total have you decreased by? Pharmacist hours/week

2.2 Reduced the number of pharmacy assistants employed or their hours? Yes / No

If "Yes": How many pharmacy assistant hours per week in total have you decreased by? Pharmacy assistant hours/week

2.3 Decreased the number of professional services offered by the pharmacy? Yes / No

If "Yes": Which services have you removed?

- 2.4 Increased the number of professional services offered by the pharmacy? Yes / No

If "Yes": Which services have you added?

- 2.5 Charging for professional services previously offered for free? Yes / No

If "Yes": Which free services have you started charging for?

- 2.6 Reduced the pharmacy opening hours? Yes / No

If "Yes": By how many hours per week? (i.e., if you used to open 100 hours/week and now you only open 60 hours/week, you have decreased by 40 hours/week) Decrease of pharmacy opening hours/week (0-150)

- 2.7 Increased the product range in the pharmacy? Yes / No

If "Yes": Which additional products/categories have you included?

- 2.8 Have you implemented any other strategy in your pharmacy as a result of the government introduction of the 60-day dispensing? Yes / No

If "Yes": Please specify which other strategy you have implemented.

3. For those pharmacists who answered "No" in any of the questions from 2.1 to 2.8, the same questions were asked regarding those additional strategies being considered for implementation in the pharmacy over the next 6 months as a result of the government introduction of the 60-day dispensing.

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 Kylie Williams is the Head of Pharmacy in the Graduate School of Health at the University of Technology Sydney (UTS). She is a registered pharmacist with over 25 years of academic experience in teaching and research. Kylie leads a research team focused on development, implementation, and evaluation of new models of pharmacy and health service delivery. In addition to her health service expertise, she has expertise in mixed methods research using both qualitative (focus groups, interviews) and quantitative research methods (questionnaires, pseudo-patient methodologies, actual use studies). She has published over 70 refereed papers, 9 major research reports and has co-authored over 90 conference presentations. Alongside her research expertise, Kylie is internationally recognized for her curriculum development. She has received a number of teaching grants and awards, has co-authored teaching-related peer-reviewed journal articles and two professional books, and has written over 80 educational articles for pharmacists. She was elected a Fellow of the Pharmaceutical Society of Australia in 2022.



JOHN MONTGOMERY

UTS Pharmacy Faculty

John Montgomery has 40+ 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 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 (GMI) for 5 years.



WARWICK PLUNKETT AM

Director and Past-President, Pharmaceutical Society of Australia

Warwick Plunkett is a former Board Director of the PSA, having served twice as National President. He is also proprietor and partner in Newport Pharmacy on Sydney's northern beaches and former CEO of Plunkett Pharmaceuticals. 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 Pharmacy Self Care program, the Return of Unwanted Medicines project and the unification of PSA. Warwick is also Chair of the UTS Pharmacy Industry Advisory Board.



JOHN BELL AM

Specialist Practitioner/Teacher, UTS Graduate School of Health

John Bell is a member of the Global Pain Faculty and the Global Respiratory Infection Partnership, international multidisciplinary groups established to address the issues of pain management and antibiotic resistance respectively. John is an advisor to the PSA's Pharmacy Self Care Program and has a particular interest in health communications and public relations. He is a former National President of the PSA, President of the Commonwealth Pharmacists Association, Vice President of the International Pharmaceutical Federation (FIP) and is a Specialist Practitioner/Teacher in Primary Health Care at the Graduate School of Health, University of Technology, Sydney (UTS). He is currently Chair of the Australian Self-Care Alliance. John owns a community pharmacy in Sydney.



SHALOM (CHARLIE) BENRIMOJ

Emeritus Professor

Prof Benrimoj is currently an academic consultant on several research projects. He was Director and Head of the Graduate School of Health University of Technology Sydney 2011 to 2018). He was the Foundation Professor of Pharmacy Practice, Dean of the Faculty of Pharmacy and Pro-Vice Chancellor (Strategic Planning) University of Sydney. He is a visiting professor at the University of Granada and emeritus professor University of Sydney. He graduated with B. Pharm. (Hons) 1976, followed by completion of a Ph.D. 1980, University of Bradford, U.K. His research interests encompass the future of community pharmacy and professional cognitive pharmaceutical services from community pharmacy. These include the provision of digital based health information to consumers, self-care, patient medication reviews, disease state management systems, Pharmacy and Pharmacist only medications (minor ailment schemes), integration of community pharmacy in health care system and international pharmacy practice. Research interests involve the clinical, economic and implementation aspects of cognitive pharmaceutical services from community pharmacy in current and emerging health care systems. He has published over 240 papers in refereed journals, 30 major research reports and presented and co-authored 200 conference presentations. He has co-authored a book "Community Pharmacy: Strategic Change Management" (2007). Prof Benrimoj was ranked in the top 2% of influential researchers by the University of Stanford in 2002. He was the Australian Pharmacist of the year in 2000. He was awarded the Andre Bedat 2010 by International Pharmacy Federation (FIP). He was elected a Fellow of three distinguished international and national societies in 2008 - Pharmaceutical Society of Australia, 2008 - Royal Pharmaceutical Society of Great Britain, 2007 - International Pharmacy Federation.



VICTORIA GARCIA CARDENAS

Professor in Pharmacy Practice, University of Granada (Spain)

Dr Victoria Garcia Cardenas (PhD, M Pharm, B Pharm) is a senior lecturer in pharmacy and a 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 65 papers in refereed journals and has presented and co-authored more than 80 conference presentations. Victoria is chair of the Pharmacy Practice Research Special Interest Group of the International Pharmaceutical Federation and an Associate Editor for Research in Social and Administrative Pharmacy.

Executive Summary

The 13th wave of the Barometer™ marks twelve years since the inaugural UTS Community Pharmacy BarometerTM. The Barometer™ is an annual study to track the confidence and opinions of pharmacy owners and employees as well as investigate prominent issues impacting the industry. The present report focuses solely on the impact of the significant 60-day dispensing policy change implemented in September 2023. This 13th Barometer report contains survey data from October 2023 (5 weeks after the implementation of 60-day dispensing policy on the 1st September 2023) and is compared to wave 12B which includes an evaluation of pharmacists' perceptions in May 2023 (immediately after the announcement of the new policy on the 26th April 2023).

The 13th wave of the Barometer™ was conducted in October 2023 with 250 decision makers, while wave 12B of the Barometer™ in May 2023 included 216 respondent decision makers, both drawn from the IQVIA panel of pharmacists.

Results were:

- The UTS Pharmacy BarometerTM score was 110.4 out of 200 (a score of 100 represents neutral confidence). After the continuous increase to 146.8 shown in the Pharmacy Barometer™ over the last six years from 2017-2022, a dramatic decline in confidence to 60.8 was observed in wave 12B (May 2023) following the announcement of the 60-day policy. The level of confidence has now increased to sit at 110.4 returning back to values shown before the COVID-19 pandemic in 2019 (109.0).
- A range of factors could be impacting confidence levels, which may include:
 - o Reduced level of uptake for prescribers of the 60-day policy.
 - o All eligible medicines are not yet available for 60-day dispensing.
 - o Pharmacy owners and managers are successfully adopting strategies such as reducing staff, decreasing opening hours,

increasing service provision or increasing prices to minimize the expected impact.

- o Pharmacy owners may have reacted positively to the announcement of an early 8th CPA.
- An increase in the percentage of pessimistic respondents was observed, from 4.4% in November 2022 to 29.6% in May 2023. This decreased to 16.4% in October 2023. A similar trend was observed in the percentage of neutral pharmacists (increased from 48.9% in November 2022 to 60.6% in May 2023 then decreasing to 57.6% in October 2023).
- Immediately following the announcement of the policy (May 2023), the percentage of decision makers who believed their pharmacy would increase in value in the next twelve months dropped from 55.0% (wave 12 in November 2022) to 9.7% (wave 12B in May 2023). However, in this early snapshot five weeks after policy implementation (wave 13 in October 2023), confidence returned somewhat to 30.0% although still remains lower than 2022 levels.
- The proportion of pharmacists who believe the value of their pharmacy will decrease in the next twelve months has increased by 30.9% from the previous year (10.1% in November 2022 to 71.8% in May 2023 and 41.0% in October 2023) but has decreased since the policy was first implemented. These values reflect the perception of pharmacy owners and pharmacy managers (decision makers) immediately following the initial announcement and soon after initial implementation of the policy. It will be interesting and important to evaluate the impact of 60-day dispensing after full implementation of the policy change (September 2024).

- After the implementation of the 60-day dispensing policy, the majority of decision makers (82.0%, n=205) believe that it will have a negative impact on their pharmacy net profit. The average decrease estimated is 23.7%.
- The vast majority of pharmacy owners and managers (92.8%, n=232) have reacted to the 60-day dispensing policy by adopting at least one strategy.
- The measures taken or being considered for the next six months were divided into the following categories: pharmacy opening hours, pharmacy staff, professional services, products/categories and other strategies.
- Nearly a quarter of the decision makers (21.6%, n=54) stated that they had already reduced their pharmacy opening hours. While 14.4% (n=36) are considering implementing it in the following six months. Interestingly, 64.0% of pharmacies are not considering changing hours of business.
- Nearly half of the decision makers (48.0%) have already reduced or are considering reducing their pharmacists' working hours. There appears to be a greater emphasis on reducing pharmacy assistants' working hours (64.0%).
- Extrapolations from the reported reductions in staffing at a national level were made. Estimations showed that there could be 695 less full-time pharmacist positions (95% CI: 531; 859) and 1243 less pharmacy assistant positions (95% CI: 1080; 1407) in response to the change in policy.
- Different measures have been taken in relation to professional services offered in the pharmacies. The majority (77.2%, n=193) have already or are considering charging for services previously offered free to consumers (e.g., blood pressure measurement, deliveries, document certification).
- The most common services that decision makers have implemented or are considering implementing (55.6%, n=139) are State Government driven services (vaccinations, UTI and oral contraception prescribing) and those included in the 7CPA (Diabetes MedsCheck/MedsCheck and Webster packs).
- Decision makers are also decreasing or considering discontinuing the number of services (20.8%, n=52) that are poorly remunerated or not remunerated in any way (e.g., blood pressure measurement, diabetes services or free deliveries).
- Nearly a third of the pharmacies have decided to increase their product range to compensate the impact of 60-day dispensing (33.2%, n=83).
- Other measures (e.g., increasing prices) are also considered by over half of the pharmacists (60.0%, n=150).

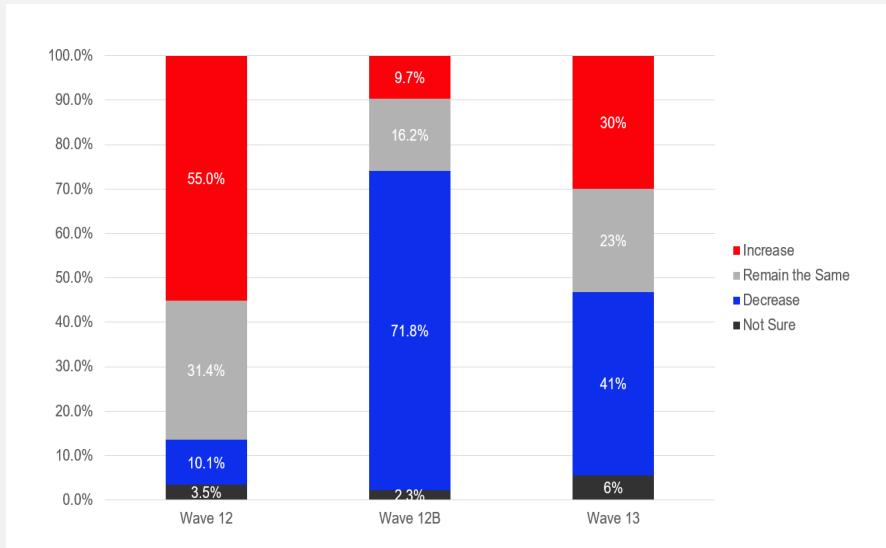
UTS Pharmacy Barometer™ 2023



Expected value of the pharmacy

“Will the value of your pharmacy increase, decrease or remain the same in the next year?”

Figure 3. Expected value in the next year



Note: N Wave 12=318, N Wave 12B=216, N Wave 13=250

Immediately following the announcement of the policy (May 2023) the percentage of decision makers who believed their pharmacy would increase in value in the next twelve months dropped from 55.0% (wave 12 in November 2022) to 9.7% (wave 12B in May 2023). However, in this early snapshot five weeks after policy implementation (wave 13 in October 2023), confidence returned somewhat to 30.0% although still remains lower than 2022 levels. Interestingly values have returned toward those obtained during the pandemic COVID-19, in wave 11 from 2021 (49.0%) and wave 10 from 2020 (37.1%).

An increase has also been observed in the decision makers who believe their pharmacy value will decrease, from 10.1% (n=32) in wave 12 in 2022 to 71.8% (n=155) right after the announcement in wave 12B in May 2023 to 41.0% (n=102) in wave 13 in October 2023. There is a decrease in the proportion who believe the value of their pharmacy in the next year will not change (23.0% at the end of 2023 from 31.4% in 2022).

The proportion of pharmacists who believe the value of their pharmacy will decrease in the next twelve months has increased by 30.9% from the previous year (10.1% in November 2022 to 41.0% in November 2023) but has decreased since the policy was first implemented (71.8% in May 2023). These values reflect the perception of pharmacy decision makers at the time of the initial announcement and early implementation of the policy. It will be interesting and important to evaluate the impact of 60-day dispensing after full implementation of the policy change (September 2024). However, there may be a number of factors that are affecting the full impact of the policy. These could include patients on medication that is eligible for 60-day dispensing may not yet have returned to their GP for a new prescription; GP prescribing rates have varied in estimations, and only the first stage of medications has been implemented, with a further 225 additional medications due for release.

EXPERT COMMENTARY

“In terms of the timing, wave 12B was a few weeks after the announcement and wave 13 five weeks after the implementation, so the initial alarm has reduced. It is a significant swing in a relatively short time but early days.”

John Montgomery

“In wave 13 everything appears to be going back to normal, but this could be due to pharmacists having put a lot of measures in place to try to mitigate the impact.”

Kylie Williams

“The reality is that they have not had many 60-day prescriptions coming through. There are different reasons for that, patients still holding 30-day prescriptions and some GPs do not yet have it on their software.”

John Bell

“We can be confident that a change has occurred since the announcement of the 60-day policy, although the reason for this is not clear. It could be a combination of factors, but it would be important to know which factors are contributing most.”

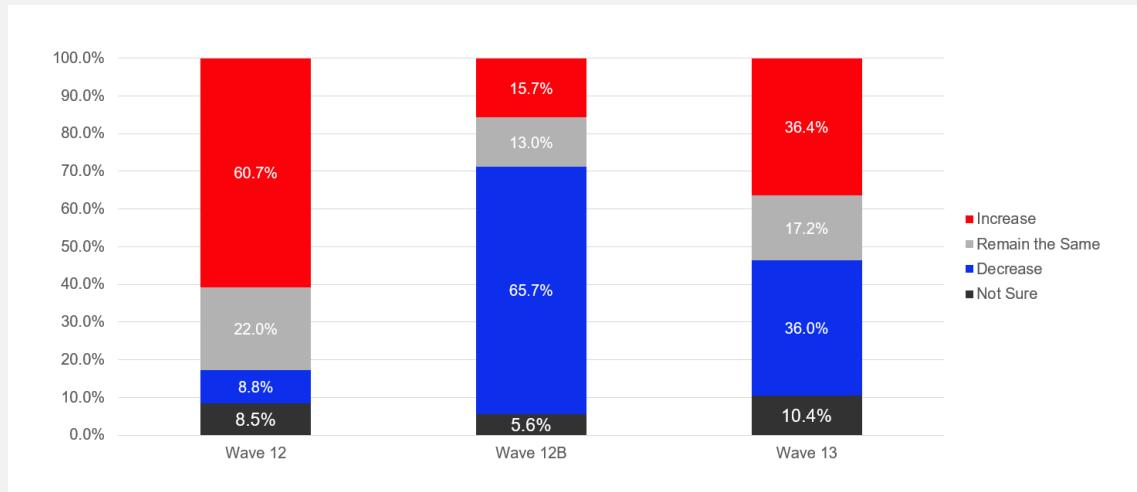
Charlie Benrimoj

“The full impact of the 60-day prescriptions has not been seen yet. Now the market is probably still like it was a year ago.”

Warwick Plunkett

“Will the value of your pharmacy increase, decrease or remain the same in the next year?”

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



Note: N Wave 12=318, N Wave 12B=216, N Wave 13=250

Three-year projections show slightly more positive results compared to one-year projections: both waves (12 B and 13) conducted in 2023 show that same trend.

Similarly to the results observed in one-year projections, a higher percentage of decision makers in October 2023 (36.0%, n=90) believe that the value of their pharmacy will decrease in the next three years from results in November 2022 (8.8%, n=28). This has reduced from results observed immediately after policy announcement (65.7%, n=142).

More pharmacists continue to believe their pharmacy will increase in value in the next three years compared to the next year. This has been observed in both wave 12B (15.7% believed an increase in the next 3 years compared to 9.7% in the next year) and wave 13 (36.4% believing an increase in the next 3 years compared to 30.0% in the next year).

As shown in previous waves of the Barometer™, longer term projections when evaluating the expected value of community pharmacy are more uncertain, reflected by higher

percentages of decision makers who were not sure (6.0% for the next twelve months and 10.4% for the next three years in wave 13).

A greater loss in value due to the policy change may have been perceived in April 2023 when the measure was announced (wave 12B), and this might have influenced the measures taken by the decision makers in their community pharmacies at this time.

EXPERT COMMENTARY

“A three-year prediction, five weeks into implementation, is very difficult given all the uncertainty.”

John Montgomery

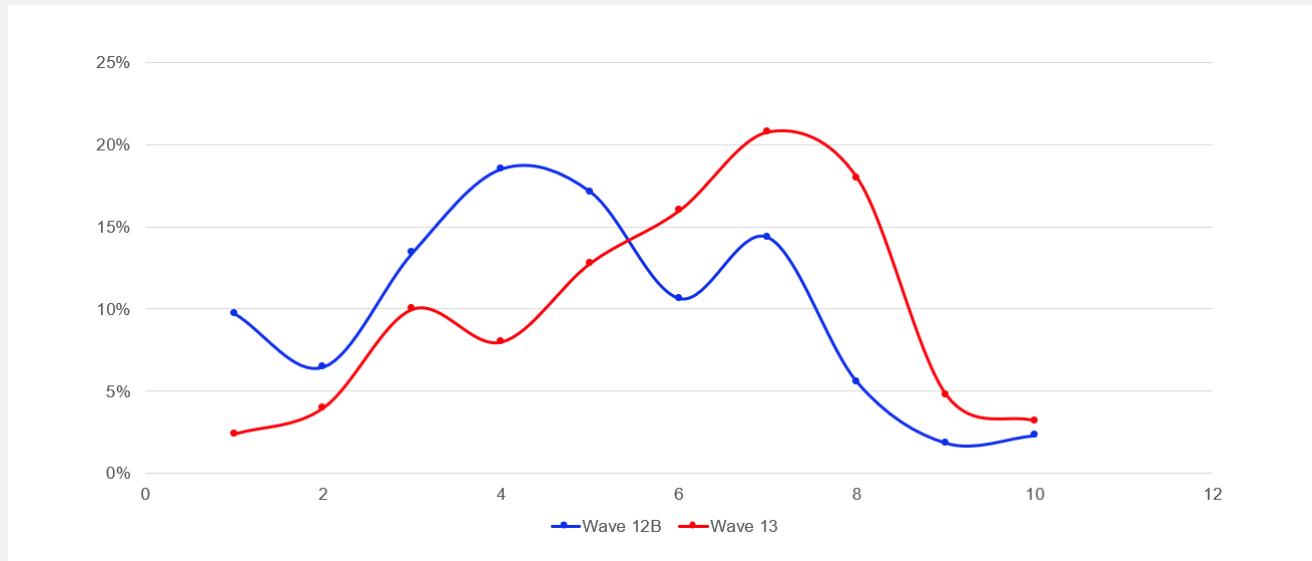
“We can see the same tendency as in wave 12th of the Barometer™ (November 2022). A three-year prediction is more challenging than the one-year prediction.”

Charlie Benrimoj

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 5. Pharmacists' confidence in the future viability of community-based pharmacy, comparison between the two waves in 2023



Note: N Wave 12B=216, N Wave 13=250

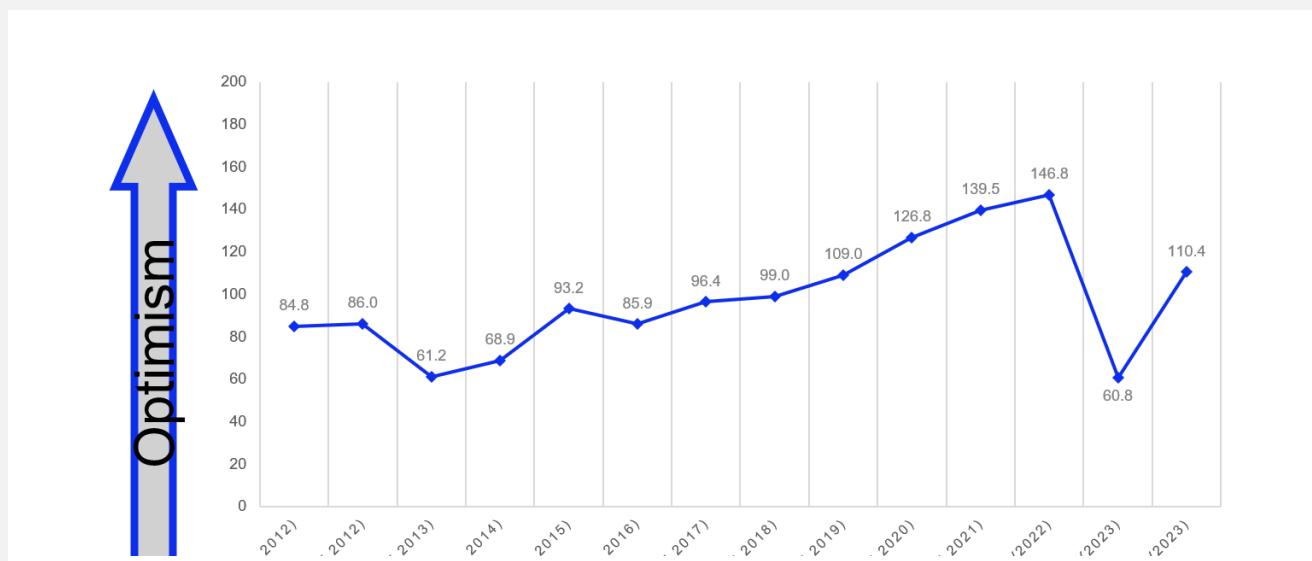
Respondents were asked to indicate their perceived confidence in the future viability of community pharmacy. There was an increase in confidence observed since the announcement of the policy. By October 2023 (wave 13) there is clear shift of the line graph to the right (Figure 5).

Across the sample, an increase in the percentage of optimistic respondents was observed (from 9.7% in wave

12B to 26.0% in wave 13), however this was still less than the percentage of optimistic pharmacists found at the end of 2022 in wave 12 (46.7%). An opposite trend has been seen in the percentage of neutral and pessimistic pharmacists. The percentage of pessimistic respondents decreased from wave 12B (29.6%) to wave 13 (16.4%) but remains higher than wave 12 (4.4%).

UTS Community Pharmacy Barometer™

Figure 6. Community Pharmacy Barometer™ index



The Barometer index is calculated with responses from only those who answered all three Barometer questions. These questions are related to the perceived value of the pharmacy in the next year, in the next three years and confidence in the future viability (N Barometer Index Wave 13 = 220).

After the continuous increase to 146.8 shown in the Pharmacy Barometer™ over the six years from 2017-2022, a dramatic decline in confidence was observed in wave 12B following the announcement of the 60-day policy to 60.8. The level of confidence has now increased to sit at 110.4 returning back to values shown before the COVID-19 pandemic in 2019 (109.0).

A range of factors could be impacting confidence levels, which may include:

- Reduced level of uptake for prescribers of the 60-day policy.

- All eligible medicines are not yet available for 60-day dispensing.
- Pharmacy owners and managers are successfully adopting strategies such as reducing staff, decreasing opening hours, increasing service provision or increasing prices to minimise the expected impact.
- Pharmacy owners may have reacted positively to the announcement of an early 8th CPA.

A Pharmacy Guild Report⁶ states that the Department of Health and Aged Care modelled a 63% take-up rate for prescriptions eligible for 60-day supply on full implementation of the policy. However, it remains to be seen what final take-up rates arrive at.

EXPERT COMMENTARY

“The full impact has not been seen yet. If for example a patient had a 30-day prescription in August with six repeats, the patient may not see their GP again until February next year.”

John Montgomery

“As the new molecules are released into the 60-day system, the same lag time will happen with existing prescriptions.”

Kylie Williams

“60-day prescriptions can be provided for patients with medications for conditions where they are stable. So, you should not expect a 60-day prescription for a new medication or a 60-day prescription without repeats.”

John Bell

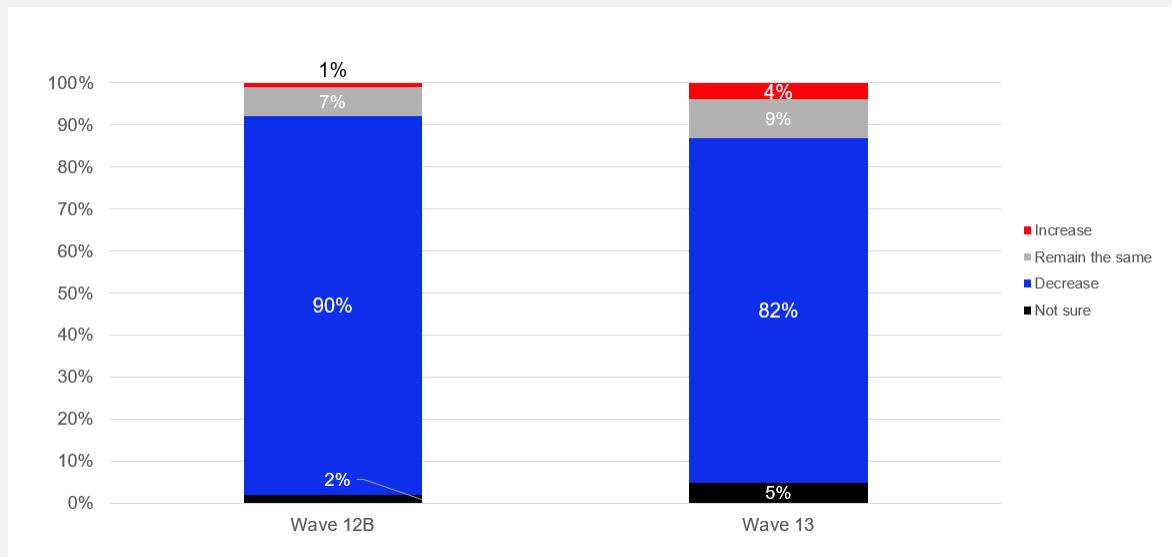
Impact of the 60-day dispensing



Impact of the 60-day dispensing

“How do you estimate that your pharmacy’s net profits will be impacted by the 60-day dispensing?”

Figure 7. Impact of the 60-day dispensing in pharmacies’ net profit



Note: N Wave 12B=216, N Wave 13=250

Most decision makers (90.0%, n=195) in wave 12B estimated that the 60-day dispensing would have a negative impact on their pharmacy net profit. However, that percentage has reduced to 82.0% (n=205) in wave 13.

Therefore, right after the implementation of the policy change, pharmacists were slightly more optimistic.

A small percentage of 4.0% (n=10) believe that the policy of the 60-day dispensing will increase their pharmacies total net profit.

Table 4. Changes in the net profit of the pharmacy depending on perceptions of the 60-day dispensing impact

| | Wave 12B Increase (n=2) | Wave 12B Decrease (n=195) | Wave 13 Increase (n=10) | Wave 13 Decrease (n=205) |
|---------|----------------------------|------------------------------|----------------------------|-----------------------------|
| Average | 12.50% | -33.10% | 20.30% | -23.69% |
| Median | 12.50% | -25.00% | 15.00% | -20.00% |
| Mode | 5.00% | -20.00% | 10.00% | -20.00% |

Most pharmacists estimated a decrease in net profits following the announcement of the 60-day policy (wave 12B), by an average of 33.1%. However, some six months later this has reduced to 23.7%. A much smaller group considered that 60-day dispensing would have a positive impact in their

pharmacy net profit (1.0% n=2 in wave 12B and 4.0% n=10 in wave 13) (Figure 7 and Table 4). Decision makers in wave 12B estimated an impact of 12.5% in increased net profit of the pharmacy and an impact of 20.3% in wave 13.

EXPERT COMMENTARY

“Most pharmacists are considering that 60-day dispensing itself will have a negative impact in the net profit, which does not mean an overall fall in the pharmacy business net profit. Net profit can be affected in many ways.”

John Bell

“The 60-day dispensing might have a negative impact, but it seems pharmacists are implementing strategies to maintain net profits.”

Charlie Benrimoj

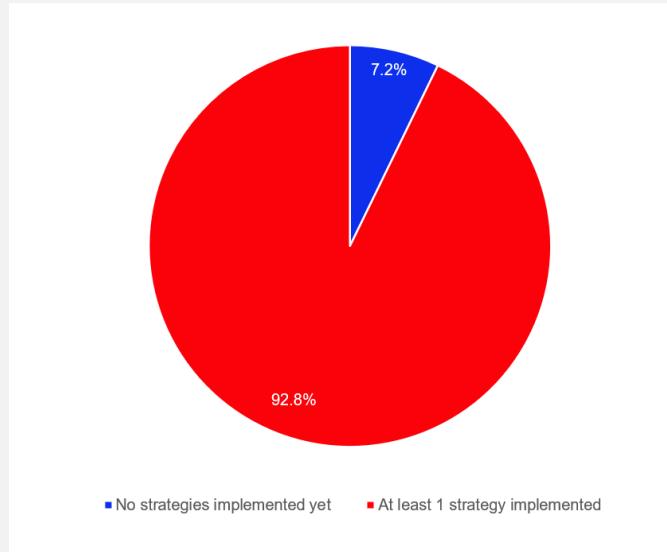
“There are other ways of making a profit in the pharmacy. Owners might be providing different services, charging in different ways, increasing price, etc.”

Warwick Plunkett

Strategies implemented as a result of the 60-day dispensing

“What strategies have you implemented as a result of 60-day dispensing?”

Figure 8. Number of strategies implemented in the pharmacies as a result of the 60-day dispensing (Wave 13, N =250)



The vast majority of pharmacy owners and managers have reacted to the 60-day dispensing policy by adopting at least one strategy. In wave 13 (N=250), five weeks after the implementation of the 60-day dispensing, decision makers were asked about the different measures implemented in their pharmacies as a result of the recent policy change.

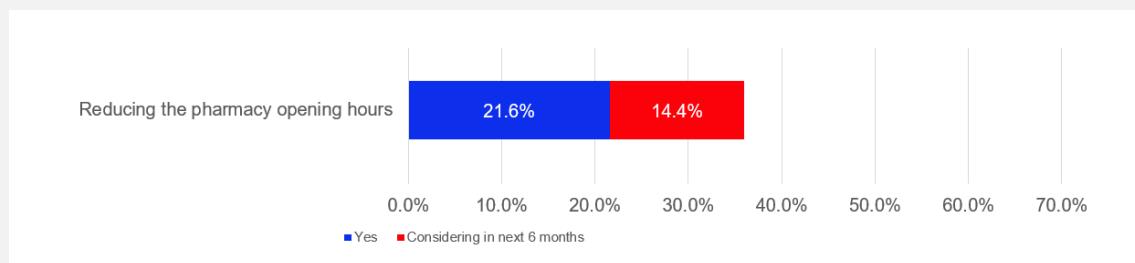
Most of the respondents answered that they had implemented at least one measure to compensate for the negative effect (92.8%, n=232).

The measures taken or being considered were divided in the following categories:

- Pharmacy opening hours.
- Pharmacy staff.
- Professional services.
- Products and categories.
- Other strategies.

Measures implemented in the pharmacy because of the 60-day dispensing Strategy: Pharmacy opening hours

Figure 9. Decision makers that have reduced or are considering reducing their pharmacy opening hours (N Wave 13=250)



In wave 13, 21.6% (n=54) of the decision makers stated that they had already reduced pharmacy opening hours, while 14.4% (n=36) are considering implementing it in the following six months. Interestingly, 64.0% of pharmacies are not considering changing hours of business.

Pharmacies who have already reduced opening hours have done so by an average of 8.1 hours per week.

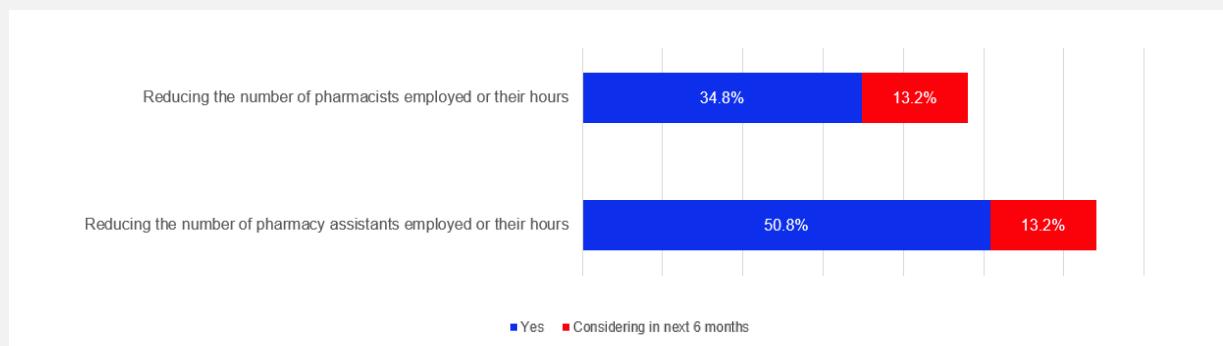
EXPERT COMMENTARY

"The average reduction in hours is about a day per week. However, the percentage of pharmacies implementing this strategy is relatively small."

John Montgomery

Measures implemented in the pharmacy because of the 60-day dispensing Strategy: Pharmacy staff

Figure 10. Decision makers that have reduced or are considering reducing their pharmacy staff working hours (N Wave 13=250)



Both pharmacist and other pharmacy staff hours are being reduced as part of the strategies to compensate for the impact of 60-day dispensing policy. Nearly half of the decision makers have already reduced or are considering reducing their pharmacists' working hours, with 34.8% (n=87) of the decision makers indicating that they have already actioned this and 13.2% (n=33) considering implementing it in the next six months.

There appears to be a greater emphasis on reducing pharmacy assistants' working hours, with 64.0% of the decision makers having already reduced or considering reducing their pharmacy assistants' working time. More than half of the respondents, 50.8% (n=127), stated that they had actioned this, while 13.2% (n=33) are considering implementing in the following six months.

A total of 87 pharmacy decision makers have reduced pharmacists working hours by an average of 13.5 hours per week, and 127 decision makers have reduced it for pharmacy assistants working hours by an average of 16.6 hours per week.

Potential reductions in staffing were estimated due to the change in policy. Calculations were made for pharmacists and pharmacy assistants using the mean and 95% confidence interval obtained in the survey. Data was extrapolated to the total number of pharmacies in Australia (n=5901) and assuming a full-time position of 40 hours per week. An equivalent to 695 (95% CI: 531; 859) full-time pharmacist positions and 1243 (95% CI: 1080; 1407) full-time pharmacy assistant positions were estimated as reductions in staff at a national level.

EXPERT COMMENTARY

"The percentage of pharmacies reducing working hours for their staff and the average number of hours reduced offer an idea of the significant immediate impact of the 60-day dispensing policy change. I believe this consequently will have a negative impact on patients and consumers and the sustainability of the health care system. It may also have a negative effect on pharmacy reputation."

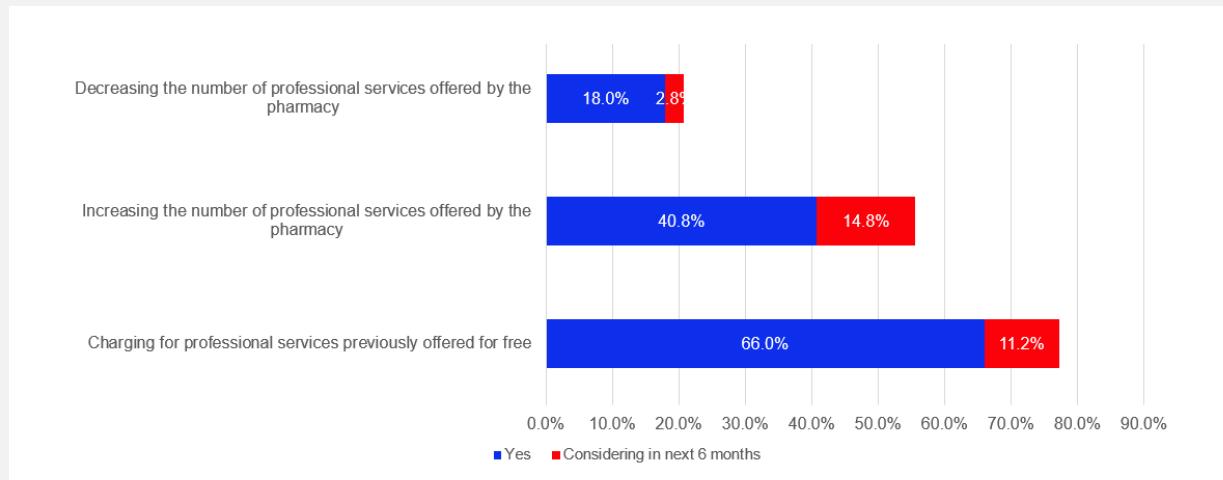
Charlie Benrimoj

"The sustainability of reducing hours and staff and the likely impact on customer service and traffic should be evident in future surveys."

John Montgomery

Measures implemented in the pharmacy because of the 60-day dispensing Strategy: Professional services

Figure 11. Decision makers that have changed or are considering changing their professional services (N Wave 13=250)



Different measures have been taken related to professional services offered in the pharmacies surveyed. Decision makers have reported both decreasing and increasing the number of services offered within the pharmacy. Another strategy reported is to start charging for services that were already available free of charge to patients. The vast majority (77.2%, n=193 of respondents) have already or are

considering charging for services previously offered for free to patients.

Some of the services that were previously offered free of charge that are being cut include blood pressure measurement, deliveries, document certification or Webster packs (Figure 12). These strategies may have an impact on patients and the health care system.

Figure 12. Prevalence of charged services that were previously offered for free as a result of the 60-day dispensing

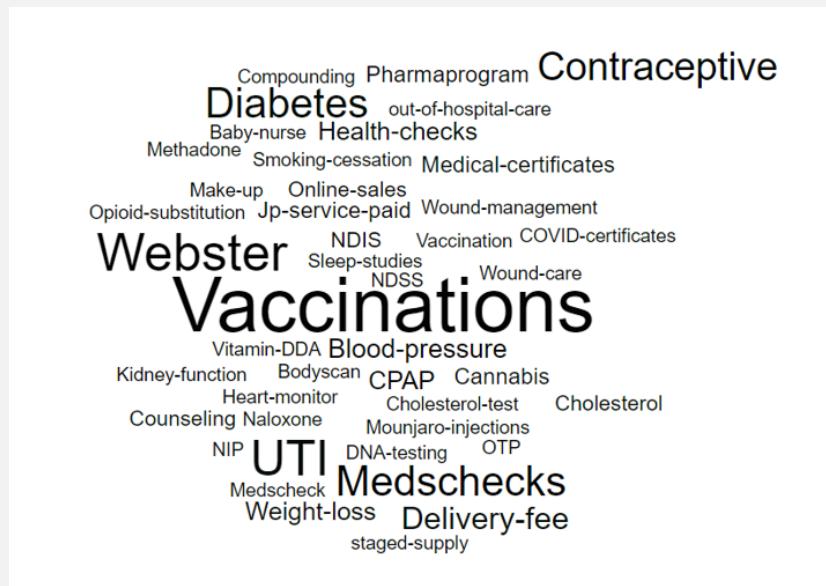


Note: n=165 replied yes and specified the service

Over half of the decision makers have decided to or are considering increasing the number of professional services offered within the pharmacy to reduce the impact of the 60-day dispensing (Figure 1) (55.6%, n=139). Of these decision makers, the majority have already increased (40.8%, n=102) when compared to those considering increasing (14.8%, n=37) the number of services in their pharmacy.

The most common services that decision makers have started to implement are vaccinations, Diabetes MedsCheck/MedsCheck, Webster packs and pharmacy prescribing for UTI and the oral contraceptive pill (Figure 13). The UTI and contraceptive pill prescribing form part of the Scope of Practice trials in most of the states in Australia.

Figure 13. Prevalence of new professional services offered in pharmacies as a result of the 60-day dispensing



Note: n=102 replied yes and specified the service
*UTI and contraceptive is the NSW prescribing trial

Lastly, as shown in Figure 11, some pharmacies have decided to decrease the number of professional services as a result of the 60-day dispensing (20.8%, n=52). Similarly the majority have already decreased (18.0%, n=45) when compared to those considering decreasing (2.8%, n=7) the number of services in their pharmacy in the following six months.

The most common services that decision makers have stopped are blood pressure measurement, diabetes services or free deliveries (Figure 14).

Figure 14. Prevalence of professional services stopped as a result of the 60-day dispensing



EXPERT COMMENTARY

"More decision makers (nearly half) are adding professional services than discontinuing them from their portfolio. However, the net effect of charging for these services and their uptake by consumers will be interesting to monitor. We see that the main ones to be added are State government driven services (vaccinations, UTI and oral contraception) or those included in the 7CPA (Diabetes MedsCheck/MedsCheck and Webster packs)."

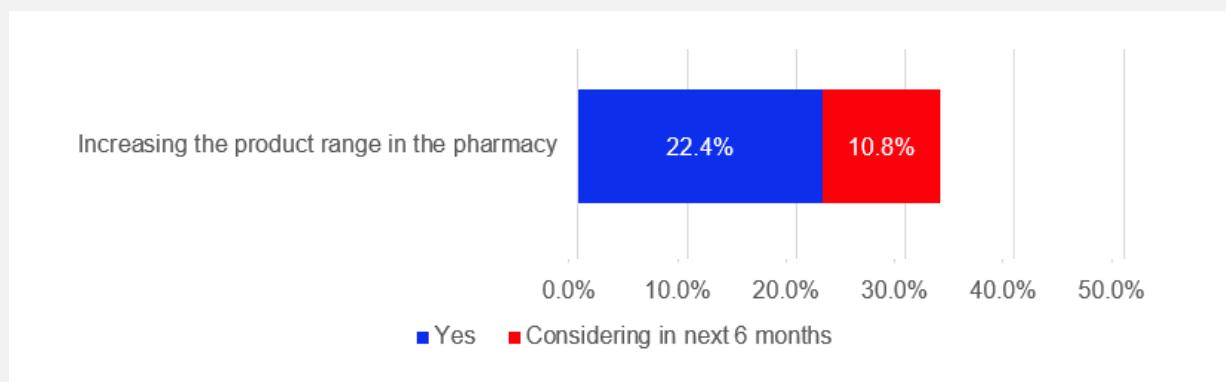
Charlie Benrimoj

"The increase in the net profit for each one of the increases in services might be small on its own. However, when you add them all together, that might help the profit."

Kylie Williams

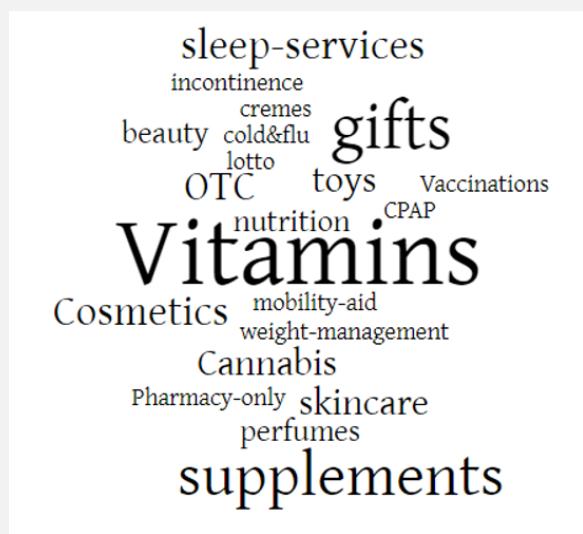
Measures implemented in the pharmacy because of the 60-day dispensing Strategy: Products and categories

Figure 15. Decision makers that have increased or are considering increasing the product range in their pharmacy (N Wave 13=250)



A third of pharmacies surveyed (33.2%, n=83) have already increased or are considering increasing their product range available in their pharmacy (Figure 15) to compensate for the impact of 60-day dispensing. Some of the new products made available in the pharmacies are shown in Figure 16.

Figure 16. Prevalence of new products offered in the pharmacies as a result of the 60-day dispensing



EXPERT COMMENTARY

"About a third of pharmacies are considering either extending their product ranges, for instance in vitamins, or adding new products so that their overall net profit is not affected by the 60-day dispensing."

John Bell

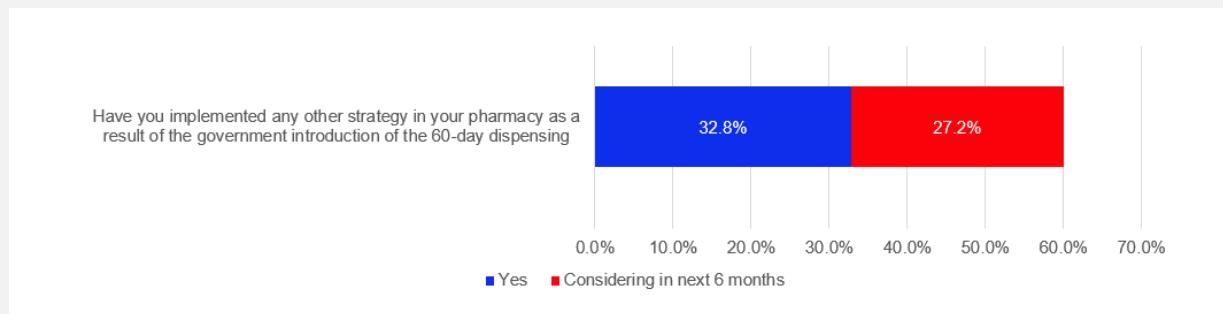
"We have to be careful that increasing the product range due to the 60-day dispensing does not diminish the professional image of Pharmacy by adding non health related products."

Charlie Benrimoj

Measures implemented in the pharmacy because of the 60-day dispensing

Strategy: Other strategies

Figure 17. Decision makers that have implemented or are considering implementing other measures in their pharmacy (N Wave 13=250)



In addition to the measures mentioned above, nearly a third of pharmacists (32.8%, n=82) have implemented other strategies, with the most common one being increasing prices in their pharmacies.

Figure 18. Prevalence of new measures implemented in the pharmacies as a result of the 60-day dispensing



EXPERT COMMENTARY

"The main area of increased pricing is in over-the-counter products, but there is also a consideration in prescriptions (those that are below the co-payment) and packaging. They are the areas where people are looking to reclaim some of the pharmacy profitability."

Warwick Plunkett

"Increase pricing, particularly in the area of product ranges that are not available in pharmacy, might drive consumers away from community pharmacy."

Charlie Benrimoj

"The strategy of generally increasing pricing might reduce the competitiveness of community pharmacy."

John Bell

"It will be interesting to see in the longer term if prices do in fact increase. It will be difficult to sustain higher prices if customers go elsewhere."

John Montgomery

Conclusions

The 13th UTS Community Pharmacy Barometer™ of October 2023 is an early snapshot of the expected impact of the 60-day dispensing policy change. It shows that:

- The UTS Community Pharmacy Barometer™ was 110.4 out of 200. Therefore, after the decline to a historical low of 60.8 immediately following the policy announcement, the Pharmacy Barometer™ has now increased to sit at values shown prior to the COVID-19 pandemic.
- Most pharmacy decision makers have implemented at least one strategy to overcome the negative impact perceived from the 60-day dispensing policy.
- The most common strategies implemented as a result of 60-day dispensing were charging for professional services previously offered for free, increasing the number of professional services offered and reducing the working hours of pharmacy staff (pharmacists and pharmacy assistants).
- The majority of professional services that were previously offered for free are blood pressure measurement, deliveries, document certification and Webster packs.
- The main professional services added to pharmacy portfolio because of 60-day dispensing are State government driven services (vaccinations, UTI and oral contraception prescribing) and those included in the 7CPA (Diabetes MedsCheck/MedsCheck and Webster packs). However, services that are being discontinued are those that are not remunerated in any way.
- Extrapolations from the reported reductions in staffing at a national level were made. Estimations showed that there could be 695 less full-time pharmacist positions (95% CI: 531; 859) and 1243 less pharmacy assistant positions (95% CI: 1080; 1407) in response to the change in policy.

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