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Committee Secretary
HCDSDFVPC
PARLIAMENT HOUSE Q 4000

Re: Inquiry into the establishment of a pharmacy council and pharmacy ownership in Queensland

Introduction

My name is Peter Evans, I am a community pharmacist, and have practiced in my own pharmacy, in the Brisbane suburb of Wynnum, for over 30 years.

During this period, I have experienced Queensland's regulated pharmacy ownership policy, historically a system which allowed me to develop my skills, under the mentorship of experienced pharmacists. It was a system that encouraged responsible pharmacy ownership and practice in Queensland.

In my circumstance, under this system, a very experienced pharmacist, who was preparing for retirement, sold me a part share in Benjamins Pharmacy, a practice which was founded by his father-in-law in 1924. This retiring pharmacist, continued to work with me in the practice for a further two years, and during this time he provided me valuable skills in relation to the practice of pharmacy and mentored and guided through the responsibilities of pharmacy ownership.

Being able to rely on experienced pharmacists, fast tracked my skill development in a learning environment, which offered patients the security of a combination of pharmacists, myself with the latest university training combined with experienced pharmacists who had decades of clinical experience.

I changed the name of Benjamin's Pharmacy to Wynnum Day & Night Pharmacy and increased our hours of service, to meet our community's need to be able to access medicines in the evenings and on weekends.

I continue to manage and practice at the Wynnum Day & Night Pharmacy, a role that sees me personally engaged in the pharmacy, including day, evening, weekend and public holiday shifts. I continue to expand my professional role, most recently, providing in-pharmacy vaccination services.

In response to your invitation for public participation to the Issues Paper, I would like to address some of the Issues for Consideration, where I feel I have some experience and knowledge:

Issue 1
Are pharmacy ownership restrictions imposed by the Pharmacy Business Ownership Act 2001 (Qld) (Act) necessary to protect consumers and deliver accessible and affordable medicines and services? Why or why not?

Response

I believe the ownership restrictions do assist to protect consumers by ensuring an unfit pharmacist or other party may not own and operate a pharmacy.

As stated in the Act,
1) The objects of the Act are—
(a) to promote the professional, safe and competent provision of pharmacy services; and
(b) to maintain public confidence in the pharmacy profession.

2) The objects are to be achieved mainly by—
(a) limiting who may own a pharmacy business; and
(b) limiting the number of pharmacy businesses that may be owned by a person; and
(c) providing for compliance with this Act to be monitored and enforced.

I interpret the intent of the Act, is to:
(a) protect consumers from unsafe operators, and
(b) to limit the number of pharmacy businesses an individual pharmacist may own, to ensure that pharmacy owner(s) are able to adequately supervise all their pharmacy practices.

A registered pharmacist must be familiar with and comply with the Pharmacy Board of Australia's Codes, Guidelines and Policies (see http://www.pharmacyboard.gov.au/Codes-Guidelines.aspx).

If a pharmacist does not comply with the Pharmacy Board's requirements, they face disciplining, penalty and if the breach is serious, they may be de-registered.

A de-registered pharmacist is not a fit and proper person to own a pharmacy. They should not have access to restricted or controlled medicines, have any influence over another pharmacist, or influence in how a pharmacy conducts its operations.

So, under this Act, upon de-registration, an unfit pharmacist, is prohibited from owning a pharmacy in Queensland, and if the de-registered pharmacist currently owns a pharmacy, they shall be forced to relinquish ownership. As such, and in the interest of public safety, an unfit pharmacist shall have no influence in a pharmacy practice.

Furthermore, the Pharmacy Board of Australia's 'Guidelines for Proprietor Pharmacists', state:
'A registered pharmacist who is a proprietor of, or who has a pecuniary interest in, a pharmacy business, must:

- maintain, and be able to demonstrate an awareness of, the manner in which that pharmacy business is being conducted, and
- where necessary, intervene to ensure that the practice of pharmacy is conducted in accordance with applicable laws, standards and guidelines.

If an employee pharmacist is reported to the Pharmacy Board, the Pharmacy Board will also investigate the pharmacy's owner to ensure that the owner has not contributed to an incident by failing to comply with the Board's 'Guidelines for Proprietor Pharmacists'. If the Board finds the owner has failed to comply with the guidelines, they may be disciplined and even de-reregistered if they have shown blatant disregard and endangered patient safety. Again, if de-registered by the Pharmacy Board of Australia, they are forced to relinquish ownership under the Pharmacy Business Ownership Act 2001 (Qld).

If the Act were amended to allow 'any party' to own a pharmacy (Issue 4), then by contrast, the Pharmacy Board has no authority over a non-pharmacist owner. If a non-pharmacist owner shows blatant disregard of their responsibilities, the non-pharmacist owner would not be subject to any penalty or possible de-registration by the Pharmacy Board of Australia, as such their employee pharmacists may be penalised, disciplined and even de-registered, then simply replaced by a new 'sacrificial' employee pharmacist. The non-pharmacist owner and their delegates who control the pharmacy are free to continue to endanger the consumers without consequence.

It is important that the Act and the enforcement of the Act continues to protect consumers from unethical owners and protect the reputation of ethical pharmacists, to maintain the trust the pharmacy profession has established.

2. Are the ownership restrictions sufficiently clear, particularly regarding the restrictions on corporations owning pharmacies? If not, how could the restrictions be made clearer?

Response

The Act states simply and clearly what the requirements are, unfortunately it may not have kept pace with inventive 'work around' strategies employed more recently by some pharmacists or organisations, who, with the assistance of some clever lawyers, have created a web of income channels and controls. Whilst these strategies may not be illegal under the current Act, they would appear to defeat the object and intent of the Act.

Today, it would appear some large pharmacy groups, which have exhausted the quota of pharmacies that they may own, set up a 'stooge owner/junior partner' to permit further expansion. The 'stooge owner' does not have the equity or financial capacity to own the pharmacy, so they are financed by the group. The group controls the activities within the pharmacy and uses a variety of strategies to maintain control, protect their equity and siphon off revenue.

Rumours include (but are not limited to):

(a) pharmacies in which the 'stooge owner' has no control over the pharmacy's bank account/finances
(b) the owner does not control the premises lease, the 'real owners' have the 'head lease' or own the premise and the 'stooge owner' pays an inflated rent, which is not commercially realistic, to siphon proceeds to the 'real owners'
(c) the pharmacy pays income described as 'rebates, management or consultancy fees' to the 'real owner'
(d) the pharmacy is obliged to purchase stock from the 'real owner's' mini warehouse to siphon profits to the 'real owner'

If a 'stooge owner' is installed by the 'real owners' for the purpose of circumventing the Act, it is likely that the 'real owners' are more focused on revenue rather than patient centred outcomes.

This should not be confused with 'banner groups' along the lines of groups like Amcal or Guardian. When a pharmacist chooses to belong to a banner or franchise like these, they remain truly independent. The banner does not control or have undue influence over their practice. They are free to lease premises independently, purchase from suppliers of their choice and cease working with the banner at any time.

3. Would changing the pharmacy ownership restrictions under the Act improve community outcomes? If so, how should the restrictions be changed?

No Response

4. Should the Act be amended to allow any party to own a pharmacy, subject to requirements for dispensing only by a qualified pharmacist? Would the community be better off under such a scenario? Why or why not?

Response

As a pharmacist who owns a pharmacy that is both immediately adjacent to a Coles Supermarket and directly opposite a Woolworth Supermarket, I may well benefit from a decision to 'allow any party to own a pharmacy'.

As identified by the author in the report
KordaMentha, Pharmacy: A challenging and changing outlook, Publication No 14-01, February 2014, (https://www.kordamentha.com/getmedia/9ab7c48d-6d6f-448e-92b7-0ff74b19c4d1/14-01_pharmacy_1.pdf.aspx?ext=.pdf)

'If regulations were relaxed to allow Supermarkets to operate pharmacies, but there was no increase in the cap on pharmacy numbers, the market value of pharmacy licenses would likely increase, in the short term at least. Supermarkets looking to take advantage of the new opportunity would be required to 'acquire' existing pharmacies.'

However, ultimately such a move would not benefit the consumer. 'Any party', could include a de-registered pharmacist, and as discussed in Issue 1, they should be considered unfit to own and operate a pharmacy.

'Any party' would almost certainly include Australia's leading tobacco retailers, Coles and Woolworths, whose primary motivation to invest in pharmacy, would be to generate profit, rather than improve the health of Queenslanders. It is just another business to a non-pharmacist and might as well be another supermarket, fuel outlet, liquor outlet or hardware store.

A non-pharmacist owner would be unlikely to understand all the pharmacist's responsibilities under the National Health Act 1953 (Commonwealth) nor the Health Act 1937 (Qld), the Health (Drugs and Poisons) Regulation 1996 (Qld) and the Health Regulation 1996 (Qld). Unlike a pharmacist owner, who is likely to invest in a pharmacy practice, to pursue their vocation and have the freedom to pursue their goal of providing best pharmaceutical practice. A non-pharmacist owner, like Coles or Woolworths, is likely to be focused upon return on investment and the need to satisfy a board of directors and shareholders. The danger of pharmacy ownership by large corporations, is that profits are prioritised over safety and patient outcomes, that pharmacist staffing is kept to a minimum to save wages, resulting in increased and potentially unsafe pharmacist workloads (with increased workloads comes an increased risk of error), along with longer patient wait times, and reduced accessibility to the pharmacist.

As the owner of a day & night pharmacy which opens every day of the year, I understand that illness does not observe public holidays or acknowledge wage penalty rates. I ensure we open, even if unprofitable, to service our community's needs (often working these shifts myself to minimise the loss). Large corporations, won't open on unprofitable days, they will reduce opening hours and consumers will not be unable to access pharmaceutical services on these days.

Unfortunately, in the event of large corporations being permitted to own pharmacies, independent pharmacies would soon become extinct (much the same as independent hardware stores have). If the large corporations don't meet the community's needs, the patients will soon be adding to the strain on the public hospital system as they seek the help and care that was once delivered by independent community pharmacies.

Like many independent pharmacies, our pharmacy participates in the Methadone Program. In contrast the corporate style pharmacies prefer to avoid the challenge of involving themselves in the program. If independent pharmacies become extinct, Queensland Health would need to budget to provide alternative dosing facilities.

Our pharmacy packs Dose Administration Aids (WebsterPacks) for our patients, a service which assists patients to live in their homes longer and more safely. As an independent pharmacy, we can accept a medication change, action amendments and deliver the patient's revised pack to their home in a timely fashion. By contrast corporates, would find this too labour intensive, and simply not provide such a service or only provide it from a centralised depot in time frames that suit the organisation rather than the patient's needs. But this will become the only choice if independent pharmacies became extinct.

We also accept that the pharmacy has a role to assist those patients whose needs are not met sufficiently by our health system or other support services, like those with mental health issues, who may be lonely or insecure, who may need regular human contact and welfare checks. Or who may be an elderly patient discharged from hospital without sufficient support services. Again, it is the pharmacy staff who visit the patient with their medication and check on their welfare. If necessary, phone and visit again without any other reason, except to check on the patient's welfare.

My staff know they work in an environment where they can discuss any concerns that they may have about a patient's welfare and that they are permitted the time to phone or visit the patient, if concerned. Sometimes it can be a difficult task, in January 2017, we knew a patient had been admitted to hospital when her mental health degenerated. We knew from experience that she usually took about a week to recover from these episodes and expected to see her after the week had past. When she wasn't seen in the pharmacy, we contacted the hospital to enquire about her status and were advised she had been discharged. We tried phoning her numerous times, followed up with her doctor and neighbours, but no one had seen her. We eventually organised a welfare check with Queensland Police Service, who sadly discovered her deceased in her unit. To an extent we are the community's eyes and ears alerting doctors and if necessary emergency services when they are required by the patient. This is not a responsibility which resonates with larger corporate organisations and I suspect they would not support staff leaving the pharmacy during their shifts to check on patients.

At times a doctor will prescribe an item which the pharmacy needs to compound. An example of a simple compounding medicine would be 'Salicylic Acid 2% in Sorbolene Cream' which is within the training and capacity of every pharmacy graduate to prepare. The ingredients are readily available and the equipment to prepare such a cream are mandated under the Health Act 1937 (Qld). The Chemist Warehouse Wynnum (owned by My Chemist/Chemist Warehouse Chief Operating Officer, Mario Tascone), which is very close to my pharmacy, does not seem to provide simple compounding services, as I am frequently seeing patients with prescriptions for simple compounding items which they have requested at this pharmacy, only to be told 'they don't do them'. If there were no other pharmacies in this community, patients would be unable to obtain their treatment.

Some large pharmacy groups are only happy to provide vaccination services on their terms. That is, they don't wish to increase their pharmacist staffing to cater for ongoing vaccination demand, instead they prefer to arrange to have a registered nurse visit the pharmacy for one or two weeks and bill Medicare for each vaccination that the nurse administers. This is not suitable for everyone in our community and it is only by preserving independent pharmacies that the community shall have proper access to influenza vaccinations throughout the entire influenza vaccination season as well as year-round access to whooping cough (pertussis) vaccination.

In 2014 there were reports (see Appendix 1) suggesting Chemist Warehouse was instructing their pharmacies to aggressively pursue MedsCheck service fees (for in-pharmacy patient medication reviews with medication advise with supporting written advice). The number of services reportedly being claimed by some Chemist Warehouses pharmacies astounded many commentators and prompted the Pharmacy Guild of Australia to call for a 'full audit'. Is this the type of activity we could expect if more large corporations owned pharmacies?

In 2017, when my father-in law was discharged from Ramsay's Greenslopes Private Hospital, the Ramsay Pharmacy supplied him with some medications he did not need. He required Warfarin 1mg but he was also unnecessarily supplied Warfarin 3mg and Warfarin 5mg. He was readmitted and discharged again with another supply of everything, including the unnecessary Warfarin 3mg & Warfarin 5mg. These extra Warfarin were a needless expense to his health fund and also the taxpayer via the Pharmaceutical Benefits Scheme. The supply of unnecessary medicines would not usually occur in an independently owned pharmacy.

There is no limit to the potential problems of allowing 'any party' to own a pharmacy. For example:

(a) If a doctor owned a pharmacy adjacent to their practice, they could potentially overprescribe to generate profit.
(b) If organised crime/bikie gang owned a pharmacy, they effectively have access to Opiates (including Methadone) and Amphetamines, which would be highly desirable to them. It is not unreasonable to imagine a pharmacist, accepting a position with a seemingly legitimate organisation, finding themselves under the duress of threats of harm to themselves or their loved ones, and being forced by their pharmacy's owner(s) to behave unethically or illegally.

The risks of allowing 'any party' to own a pharmacy are immense.

5. Is there any difference in performance of pharmacies owned by non-pharmacists in Queensland (such as those run by friendly societies or the Mater Misericordiae Health Services Brisbane Limited) in relation to protecting consumers and delivering accessible and affordable medicines and services?

Response

I can only comment on my experience with pharmacy services provided by the Mater Misericordiae Health Services Brisbane Limited. My experience has been that the Mater has provided my patients with a complete and responsible supply of medications. In regard to affordability, Mater Pharmacies seem to charge the maximum allowable price, in return for their comprehensive services.

I have not seen any evidence of over-servicing by Mater Pharmacy.

6. Does the Act provide adequate protections to promote the professional, safe and competent provision of pharmacy services, and to maintain public confidence in the pharmacy profession now and in the future? If not, what additional protections should be included in the Act and why?

Response

It seems responsible self-regulation by pharmacists is no longer occurring in all instances. So, the Act may need to amended to require a pharmacist owner to declare that they are providing competent supervision of their pharmacy business(es).

I would suggest a declaration by the owner, stating that they have attended each of their practices and that they have ensured all staff levels are adequate, staff have sufficient training to safely provide medications and that the pharmacy has all the necessary equipment and resources to ensure 'the professional, safe and competent provision of pharmacy services' in their pharmacy(s).

7. Are you aware of any transfers of pharmacy ownership which have not conformed to the requirements under the Pharmacy Business Ownership Act 2001 (Qld) (Act)?

Response

The Australian Journal of Pharmacy (AJP) reported that the Pharmacy Guild of Australia had concerns about some recent acquisitions (see Appendix 2).

8. Are the offences prescribed in the Act necessary and sufficient to ensure the objectives and intent of the legislation are being met, and are the maximum offences that apply appropriate?

Response

I suspect some of the penalties are insufficient to provide deterrent.

In particular, penalties for breaches of:
Section 139B Restriction on who may own a pharmacy business - 200 penalty units ($26,110)
Section 139C Pharmacist whose registration is suspended or cancelled may own pharmacy business for limited period - 200 penalty units ($26,110) and
Section 139H Restriction on number of pharmacy businesses in which a person may have a beneficial interest - 200 penalty units ($26,110)

Some large organisations could deliberately ignore these restrictions, banking enormous profits by doing so, and if ever investigated and found in breach, divest their interests and consider the fine a small cost 'of doing business' that achieved much greater profits than the fine imposed.

9.Do you think there should be restrictions on the number of pharmacies a pharmacist may own in Queensland? Are the current restrictions under the Pharmacy Business Ownership Act 2001 (Qld) appropriate?

Response

Historically most owners, who owned multiple pharmacies, owned them all within the same state or territory, usually within the same region. They knew all their regular staff, employed or promoted trusted pharmacists to manage their pharmacies if they, or their partner pharmacists, didn't work in the pharmacies themselves.

Today, in a more entrepreneurial world, we see a number of pharmacists (solo, in partnership groups or complex entities), pushing the boundaries of realistic supervision of practice. They choose to locate their pharmacies to the maximum quota in every state or territory. I don't believe an owner living in Melbourne, Perth or Adelaide is able to adequately supervise their practice in Queensland. Particularly if they have a large number pharmacies spread all over Australia. I suspect many wouldn't be able to identify and name their pharmacists that they supposedly supervise.

Although the current situation is less than ideal, in safeguarding patient care, it occurs in all states and would be very difficult to roll back these restrictions now. There certainly should not be an increase in the number of pharmacies, which may be owned.

10. Given there are no restrictions in the Australian Capital Territory and the Northern Territory, are community outcomes in the Australian territories different from the Australian states? If so, how are they different?

No Response

11. Has pharmacy ownership regulation in other Australian jurisdictions improved community outcomes (relative to Queensland)? If so, how?

Response

The Victorian Pharmacy Authority has reportedly identified pharmacists that have failed to meet their responsibilities as owners (see Appendix 3). Identifying and rectifying non-compliance, seeks to address problems which may endanger patients.

I assume all the other states had identified similar issues and therefore that they needed a Pharmacy Council or equivalent, to oversee and enforce their relevant Acts.

12. What functions might a pharmacy council perform in Queensland? How would these functions differ from the current functions performed by Queensland Health?

Response

A Pharmacy Council might require pharmacy owners to provide an annual declaration of pharmacy ownership interests, stating the names and addresses of the pharmacies they own, the percentage share that they own in each pharmacy. I think there should also be some sort of declaration required that they have personally visited their pharmacy(s) and spent a period of time observing that the pharmacy is operating safely and confirming with the requirements of the Health Act 1937 (Qld), the Health (Drugs and Poisons) Regulation 1996 (Qld) and the Health Regulation 1996 (Qld).

13. How would the establishment of a pharmacy council in Queensland improve community outcomes?

Response

I would expect the establishment of a Pharmacy Council would remind pharmacy owners of their obligations to supervise and run professional, safe and competent pharmacy practices. A Pharmacy Council would ensure those who don't, are not permitted to continue to endanger consumers with unsafe practices. A pharmacy Council could also provide guidance to pharmacies, ensuring a consistency of patient care throughout Queensland.

14. What would be the costs and benefits to the community of establishing a pharmacy council in Queensland?

No response

15. What other viable alternatives should be considered to deliver superior community outcomes?

No Response

16. If a pharmacy council was established in Queensland, what issues would need to be considered in its interactions with other agencies or individuals involved in regulating pharmacy businesses and practice? What legislation would need to be changed?

No Response

17. What effect would relaxing pharmacy ownership restrictions have on community outcomes (such as protecting consumers and delivering accessible and affordable medicines and services) in Queensland? What are the potential risks to consumers?

Response

As detailed in my response to Issue 4, potential risks to consumers include:

(a) Reduced pharmacist staffing, potentially resulting in increased risk of pharmacist error
(b) Reduced pharmacist staffing, resulting in reduced patient access to a pharmacist for triage or advice
(c) Reduced pharmacist staffing, resulting in longer patient waiting times
(d) Reduced pharmacy hours, resulting in reduced access to pharmacy services and medicines, especially on public holidays
(e) Reduced or no access to Methadone programs
(f) Reduced or no access to Dose Administration Aids (WebsterPacks)
(g) No access to simple compounding (for example creams)
(h) Reduced access to convenient in-pharmacy influenza vaccination and no access to other in-pharmacy vaccinations (for example whooping cough)
(i) Increased likelihood of over servicing and fraud

18. Should the scope of practice of pharmacists and pharmacy assistants in Queensland be extended? If so, in what areas of practice?

Response

Most recently, allowing pharmacists to vaccinate has been well received by the community. I now administer hundreds of Influenza vaccines each year. Being able to administer on demand, without an appointment, throughout the entire influenza vaccination season. I can vaccinate many people who would otherwise go unvaccinated because they would not go to the effort of making an appointment and visiting their general practitioner. Similarly, the Whooping Cough (Pertussis) in-pharmacy vaccination is very popular. The popularity of current in-pharmacy vaccinations, suggests further expansion of this role, for example inclusion of Queensland pharmacists in the National Immunisation Program, would be equally popular and beneficial to the community.

Patients would also benefit if Queensland pharmacists were permitted to prescribe and provide the antibiotic, Trimethoprim, for uncomplicated urinary tract infections (as occurs in New Zealand).

19. What additional training for pharmacists/pharmacy assistants, or other risk reduction measures, should be implemented to ensure patient safety?

Response

Pharmacies which choose to meet the standards of the Quality Care Pharmacy Program (https://www.qcpp.com) adhere to minimum standards in relation to the services that they provide and are accessed every two years to ensure ongoing compliance.

An example of a QCPP standard that should apply to every pharmacy, not just those who choose to be QCPP compliant would be:
Pharmacy staff employed in pharmacies, who supply *Pharmacy Medicines* and *Pharmacist Only Medicines*, must complete:

- Mandatory initial training via a Recognised Course in the supply of these products.
- Ongoing Refresher Training: at least three hours per year.

Adding this requirement to the Health (Drugs and Poisons) Regulation 1996 (Qld) would safeguard pharmacy consumers from potentially unsafe medication supply by untrained staff.

Thank you for considering my response

Peter Evans
Pharmacist

Appendix 1

Chemist Warehouse MedsCheck push sparks audit call

Nick O'Donoghue
6th March 2014

Reports that Chemist Warehouse stores are allegedly being urged to maximise their use of MedsCheck services has prompted a call for an audit of the program.

David Quilty (pictured), Pharmacy Guild of Australia executive director, issued the call for a "full audit" of the program, following claims that one pharmacy within the group had performed almost 320 MedsChecks in a two-week period spanning the New Year, as reported by ***Pharmacy News***.

News that a document, purportedly from Chemist Warehouse head office, had been demanding pharmacists not to "take that foot off the 'MedsCheck accelerator'," has led to discontent within the profession, Mr Quilty said in the Guild's ***Forefront newsletter*** .

"Pharmacies, including some who are being forced to put off staff, are understandably unhappy that their responsible use of MedsChecks is being curtailed, particularly if this is the result of other pharmacy groups allegedly not abiding by the rules," Mr Quilty said.

"Given the information that has come to light, the Government should undertake a full audit of any pharmacies that have been claiming an inordinately large number of MedsChecks.

"Any pharmacies that are found by an audit to have not abided by the program requirements should be required to repay the money, with any examples of fraud sent to the appropriate authorities.

"By taking firm action, the Government will send a strong signal that it is determined to maintain the integrity of these important medication management programs to the benefit of patients and the overwhelming majority of Australia's 5300 pharmacies who do the right thing."

Source https://www.pharmacynews.com.au/news/chemist-warehouse-medscheck-push-sparks-audit-call

Appendix 2

Ramsay is on track to acquire 55 retail pharmacies by year's end, having overcome some—but not all—regulatory hurdles

SHESHTYN PAOLA — 15/11/2017

Following an exchange of contracts in August, Ramsay Health Care has this week announced that regulatory approval has been received for Malouf Pharmacies to be added to its pharmacy franchise network.

The deal, which will see Ramsay franchisees to acquire the Malouf Pharmacies, is expected to be finalised in early December 2017.

Malouf Pharmacies is one of Australia's leading pharmacy brands and is the largest privately owned pharmacy group in Queensland, employing more than 450 staff.

"We are delighted to see the Malouf Pharmacies come into the Ramsay Pharmacy Franchise Network," said Malouf founding partner, Richard Malouf, about the acquisition.

"Ramsay Health Care is a great organisation with a similar vision and culture to our organisation as well as the commitment to delivering excellent healthcare services. We are confident that our pharmacies will be in good hands for the long term and that the health of our customers will come first".

Ramsay has confirmed there will be no real change to operations of the Malouf Pharmacies at this stage and that, as franchisor, it is "committed to maintaining the Malouf rewards loyalty program" and keep Malouf employees onboard after the transition takes effect.

Ramsay Health Care says its pharmacy franchise network is on track to include 55 retail pharmacies once current contracts are completed.

According to its Annual Report 2017, Ramsay's network includes 221 hospitals, 200 pharmacies and 14 healthcare facilities across six countries, with a revenue of $8.7 billion for the last financial year.

The announcement of Ramsay's move into pharmacy shows the strides it has made since its submission to the Review of Pharmacy Remuneration and Regulation in late July.

Back then, CEO Peter Giannopoulos of Ramsay Pharmacy Group – the wholly-owned subsidiary of Ramsay Health Care – wrote to Review Chair Professor Stephen King that their attempts to move into community pharmacy had been "obstructed by Commonwealth and State regulation".

"At a Federal level, the Pharmacy Location Rules are rigid such that any move on our part to encourage a community pharmacy presence on our hospital campuses is blocked, or would take years to implement.

"At the State level, restrictions on pharmacy ownership and pecuniary interests in a pharmacy business frustrate our ability to develop partnerships with pharmacists that can serve the best interests of local communities."

Mr Giannopoulos said that while the group had made a step into franchising services for affiliated pharmacies, "we are frustrated that we cannot go the next step and directly own and manage pharmacies which are franchise members.

"The locations of most Ramsay Health Care hospitals are in local communities and easily accessible to these communities. Having the corporate economies of scale and scope to sustain dispensary services for extended hours, up to and including 24/7 operation, we see a strong value for opening some, or all, of these dispensaries to offer walk-in community pharmacy services as well as be in-hospital facilities.

"Pharmacist-only ownership restrictions, backed by the Pharmacy Guild's highly effective political influence, are holding back the evolution of community pharmacy as effective and multidisciplinary healthcare businesses."

Ramsay Health Care also reiterated its 2014 assertion that "ensuring the safe and competent practice of pharmacy and related services does not require a registered pharmacist to own a pharmacy", as long as the community pharmacy is in the operational charge of a registered pharmacist who is accountable from the professional conduct of the pharmacy.

"We believe that provided an individual or corporation satisfies an appropriate 'fit and proper person' test, they should not be precluded from either owning a community pharmacy, or having a pecuniary interest in a community pharmacy."

Mr Giannopoulos then asked Professor King and the Review Board to call on Federal, State and Territory governments to "act together to confront ownership monopoly".

In the meantime, waiting for such changes to occur, Ramsay has made steps towards acquiring pharmacies within a franchise model, following in the footsteps of other big names including Australian Pharmaceutical Industries, TerryWhite Chemmart, Chemist Warehouse, Amcal and more.

Corporatisation concerns

Some pharmacists have expressed their concerns about the group's move into pharmacy as a sign of further corporatisation of the industry.

"I'm concerned about the young people coming through. When they've got to compete with the likes of Ramsay… how can they compete?" an independent pharmacy owner, who preferred not to be named, told *AJP*.

"Chemist Warehouse did the same thing, the same structure. The end game will be to sell out to these corporates.

"How can you tell Woolies or Coles they can't enter pharmacy if we've got an ASX-listed company like Ramsay [entering the industry]?

"They have economies of scale because of their corporate structure… it's so wrong. But I'm afraid that the horse has bolted."

Concerns also remain about whether Ramsay Health Care would use its contract arrangements for the purchasing of medicines through its hospitals to supply medicines to its community pharmacies.

"If, as the Guild is led to believe, Ramsay may be finding a way to get around this established separate supply arrangement or is being allowed to do so by suppliers, they are deriving an unfair competitive advantage for their pharmacies over other community pharmacies," said the Pharmacy Guild in August this year.

However Ramsay denied the allegations.

"In line with the PBS Price Disclosure Arrangements, the Guild should be aware that consistent with the Arrangements, it is only sales to public hospitals which are not subject to reporting obligations," it responded.

"Ramsay Health Care is an operator of private hospitals and therefore party to the rules of price disclosure. We are a strong proponent of a sustainable pharmaceutical industry and an advocate of Commonwealth initiatives which create a sustainable pharmacy sector."

WA reviews ownership laws

Concerns about corporatisation of pharmacies have also recently sparked a review into pharmacy ownership laws in Western Australia.

WA Health Minister Roger Cook launched the review in late October, with public consultation open until December 8, 2017.

However the focus of this review was not only on corporatisation but also on the discount pharmacy model.

"What we've seen in other states is that pharmacies have tended towards the big corporate discount pharmacies, so they compete on price, not on quality of service."

"Community pharmacies are an important part of our health system with 642 registered pharmacies in Western Australia," Minister Cook said in a statement.

"The average community pharmacy dispenses 54,482 prescriptions per year.

"The traditional role of community pharmacies is changing and we want to make sure the Government's regulatory role is keeping pace with the times.

"We want to know what lessons we can learn from other States and Territories, and what trends we may need to be aware of and take into consideration," he said.

"We're also asking people whether the current WA ownership laws adequately protect the integrity of the sector, and what role pharmacies can play in an integrated health care model."

At the time of publishing, the Pharmacy Guild has not responded to request for comment.

However in its own submission to the King Review, the Guild said pharmacy ownership legislation "reflects the community expectations and desire to maintain the integrity of the professional relationship between pharmacist and patient.

"That relationship hinges on trust and personal service, with pharmacists being directly accountable and liable for the services they provide."

(Source https://ajp.com.au/news/ensuring-safe-competent-practice-pharmacy-not-require-registered-pharmacist-pharmacy/)

Appendix 3

Recent panel hearings have looked into allegations that licensees had failed to meet their responsibilities to comply with good pharmacy practice at registered premises

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Three panel hearings were held in May by the Victorian Pharmacy Authority into allegations that pharmacy licensees had failed to meet their responsibilities to comply with the *Pharmacy Regulation Act 2010*.

In the first case, the directors of a newly established pharmacy appeared before a Panel to answer charges alleging failures of physical security at the premises; lack of confidentiality in disposing of records and containers; inadequate temperature monitoring; incomplete equipping, including works of reference; and incomplete signs identifying the proprietor, pharmacist-in-charge and duty pharmacist. There were also deficiencies in the labelling and handling of dose administration containers.

The Panel was "extremely disappointed with the level of non-compliance" and "dismayed that in order to gain premises registration [the licensee] had submitted a notification of completion declaring that the premises had been completed according to the approved plans…when they had not".

The second case involved multiple deficiencies in the recording and storage of Schedule 8 poisons (including pharmacotherapy drugs); inadequate staffing; incomplete works of reference; and unsatisfactory temperature control.

And the third case involved what the Panel found to be failure to maintain appropriate security in that the intrusion detector alarm was not functional; unsatisfactory temperature control; privacy deficiencies; poor record keeping of medicines used in dose administration containers; and inadequacy of mandatory signs.

The Panel also found that the pharmacy had poor recording of transactions of Schedule 8 poisons (including methadone and Suboxone), and unauthorised supply of a Schedule 8 poison.

A previous inspection had drawn a number of these matters to the pharmacist's attention and despite having certified that they had been rectified, the follow-up inspection had shown that they had not.

In all three cases, the licensees were reprimanded, and a condition inserted into the licences that quarterly self-assessments be conducted.

The completed audit form must be returned to the Authority, accompanied by a statutory declaration. The premises are to be reinspected at the licensees' cost.

As well as the general determination, the licensee in the third case had to submit additional information to support that the deficiencies had been rectified.

Source https://ajp.com.au/news/licensees-reprimanded/