



Pharmaceutical Reform in South Australian Public Hospitals

Information for Clinicians and Hospital Staff

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The Pharmaceutical Reforms comprise three main elements:

- > Access to the Pharmaceutical Benefits Scheme (PBS) for all public hospital outpatients and admitted patients on discharge. These patients will receive up to one-month's supply (or clinically appropriate supply of up to one month) of medication.
- > Access to a list of chemotherapy medications subsidised by the Commonwealth Government. These medications will be available to day-admitted patients and outpatients.
- > Implementation of the Australian Pharmaceutical Advisory Council's (APAC) guiding principles to achieve continuity of medication management.

(Link: [APAC Guiding Principles](#))

The PBS has been in operation since 1948, with the aim of improving the health of Australians by providing access to necessary and lifesaving medications at an affordable price.

Frequently Asked Questions

Access to the PBS

Under the new scheme, hospital prescribers will be able to prescribe PBS medication to all non-admitted patients and patients on discharge, and will provide up to one-month's (or clinically appropriate) supply of pharmaceuticals. Patients will have a choice to have their PBS medications dispensed at the hospital, a community pharmacy, or in some cases at another public hospital that is participating in the reforms

(Link: [Pharmaceutical Benefits Scheme](#))

Co-payments

The *National Health Act 1953* requires a co-payment to be collected whenever a PBS medication is dispensed. The co-payment is different for concession and general patients, and the amount is determined annually by the Commonwealth Government. The current co-payment can be found on the [PBS website](#).

Previously, public hospitals charged a co-payment for medications dispensed to outpatients, so there is minimal change for these patients. However, most hospitals did not charge patients at discharge because they were supplied with only a few days medication.

Under the new system, the co-payment is the same practice as in the community where a charge occurs whenever a prescription is dispensed. Essentially, the payment of the co-payment is being brought forward by a couple of days from the community to the hospital, and the patient has continuing supply of their medication.

The benefits include the patient being able to visit their general practitioner for their first post-hospital visit when convenient, and not just for the purpose of obtaining

more medication. Also, the hospital discharge summary is more likely to have reached the general practitioner before the patient attends for their first visit, and the doctor is better informed of changes to the patient's care.

Q: How do we collect the co-payment from patients?

Arrangements will be made for patients to be able to pay at multiple locations by credit card, cheque or cash, or to be sent an account. Each hospital will set up a system to suit their requirements.

It is the responsibility of individual hospitals to collect the co-payment. There is no obligation to collect a co-payment, however the hospital will be reimbursed at the hospital PBS dispensed price minus the co-payment.

Q: Who is eligible for concession payments?

Eligible concession patients include: holders of a Pensioner Concession Card, Commonwealth Seniors Health Card, Health Care Card, a Repatriation Health Card for all conditions (Gold card), a Repatriation Health Card for specific conditions (White or Orange cards), or a British, Commonwealth and Allied Veterans (BCAL) card.

Patients eligible for concession pay a co-payment towards each prescription, up to a maximum of the [Safety Net Threshold](#) per calendar year, after which there is no charge for the remainder of the year.

Waiving the co-payment

Individual hospitals may choose to waive the co-payment for particular patients, however the hospital will only be reimbursed at the hospital PBS dispensed price minus the co-payment. There will be no top-up funding for hospitals that choose to waive co-payments.

Safety Net

The Safety Net Scheme is designed to protect patients and their families who require a large number of prescriptions and applies to each calendar year. Once the appropriate safety net threshold is reached, patients can apply for a Safety Net Card.

The Joint Safety Net Scheme will continue to operate in hospitals. Both PBS and non-PBS items (up to the amount of the price of the item or the applicable co-payment) can be added to a Safety Net Card. Items recorded on a hospital Patient Record Form and included in the safety net threshold must be approved by the hospital's pharmaceutical advisory committee. Only PBS items can be added to the Safety Net Card outside the hospital setting.

A family can include

- > a spouse or de facto spouse
- > children under 16 in the care and control of the patient
- > full time dependent students under age 25.

General Patients: When patients and/or their families reach the [safety net threshold](#) on PBS medicines and non-PBS medicines from a public hospital in a calendar year, they are entitled to pay only the [concession co-payment](#) per item for the remainder of that calendar year.

Concession Card Holders: When concession patients and/or their families reach the [safety net threshold](#) on PBS medicines and non-PBS medicines from a public

hospital in a calendar year, they are entitled to further medicines free of charge for the remainder of that calendar year.

Note: Brand Price Premiums, Therapeutic Premiums or Special Patient Contributions, do not count towards the safety net thresholds.

The thresholds are adjusted each year on 1 January in line with inflation.

Q: What happens to patients who don't meet the PBS indication requirements?

Hospitals will have to fully fund a PBS listed medication which is prescribed outside PBS requirements, because they will not be reimbursed by Medicare Australia. A tick box will be included on hospital prescription forms for the prescriber to declare that the patient's condition meets PBS/RPBS requirements.

Prescriptions

A new prescription form has been designed specifically for public hospitals accessing the PBS. Up to ten items may be prescribed on any one form, including Schedule 8 medicines. Both PBS and non-PBS items may be written on the same form.

A hospital identifier number (provider number) is pre-printed on each prescription form, which allows all prescriptions written in a particular hospital to be linked to that hospital. Hospital prescriptions can only be used by prescribers employed by that hospital and for patients seen at the hospital.

Similarly, all prescribers will have a unique Prescriber number. Pharmaceutical Benefits can only be prescribed by registered prescribers approved to work within the public hospital. The prescribers can only prescribe PBS items for patients seen at the hospital.

Writing and dispensing of PBS prescriptions will be a new task for most staff. The claim will not be reimbursed by Medicare Australia if the prescription is not written or dispensed accurately.

Q: Will prescribers have to ring Medicare Australia for approval to prescribe authority medications?

Yes. Prescribers will be required to apply for an authority before prescribing any drug currently listed in the PBS Schedule as an authority item, or when they require a quantity greater than the listed quantity. Medicare Australia will authorise up to one month supply of a drug if the listed quantity is not sufficient for treatment. The prescription must be endorsed with the authority number on the same date the prescription is written.

The Medicare Australia authority prescription approval service is available 24 hours a day, 7 days a week.

For PBS authority, phone 1800 888 333

For RPBS authority, phone 1800 552 580

Dispensing

Hospitals may elect not to dispense PBS items and send patients to a community pharmacy. In this circumstance, the value of the prescription will be charged against the hospital's ceiling level. Community pharmacy mark-ups and professional fees are paid if the prescription is dispensed at a community pharmacy, and these extra fees are charged against the hospital ceiling.

Under the *National Health Act 1953* public hospitals are not permitted to dispense PBS prescriptions that originate in the community (apart from prescriptions for the treatment of HIV, hepatitis B, Hepatitis C and Complex Authority Required Highly Specialised Drugs (CAR HSD)). Hospitals are able to dispense PBS prescriptions from other hospitals participating in the Reforms.

Q: Will an outpatient prescription written in one hospital be able to be dispensed in the patient's local country hospital?

A hospital PBS prescription can be dispensed by any hospital participating in the Reforms, and by any community pharmacy.

Q: Will the hospital have to stock the full range of PBS items?

No, the full range of PBS items will not have to be stocked by participating hospitals, because prescribers will still be guided by the hospital formulary, determined by the hospital's Drug Committee.

Supply of Non-PBS Items

Hospitals will be required to supply equivalent amounts of non-PBS items (up to 30 days if clinically appropriate) to non-admitted patients and patients on discharge. These items will continue to be supplied out of the hospital budget; however patients will be charged a co-payment similar to the PBS co-payment.

Claiming and Reimbursement

Claiming is the same as for community pharmacies, which is by PBS on-line claiming, computer disk and the prescription form. Hospitals will claim reimbursement from Medicare Australia for items dispensed to outpatients and patients on discharge on a fortnightly or monthly basis.

Prescriptions rejected for payment due to insufficient information, will be returned to the hospital pharmacy to correct and re-submit.

Medicare Numbers

It is a requirement that PBS prescriptions are endorsed with the patient's Medicare number (and concession number where appropriate).

Q: How do we obtain a Medicare number for a patient that has forgotten to bring their card with them to hospital?

There is a Hotline set up for hospitals to call when they require a Medicare number for a patient. Alternatively, hospitals can fax Medicare Australia groups of patients requiring Medicare numbers.

The Hotline number is:

132 290

Staff will be required to answer the following questions:

- > What is the pharmacy approval number?
- > What is the name of your pharmacy?
- > Has the patient been made aware of the options available for obtaining their Medicare details?
- > Has the patient been made aware of the reason their Medicare details are required and how they will be used?
- > Have you obtained the consent of the patient to obtain their Medicare details (number, name and/or expiry date) from Medicare Australia?
- > Have you obtained the consent of the patient to store their Medicare details (number, name and/or expiry date)?
- > What is the patient's name and address?
- > What is the patient's date of birth (requested only when name and address does not uniquely identify patient)?

PBS Funding Ceilings

Each public hospital participating in the Reforms is allocated and advised of their PBS funding ceiling. Each hospital's ceiling is included under a total State ceiling. Once the limit is reached, Medicare Australia will continue to make payments but 50% of the amount over the threshold will be recouped from the State, as agreed under risk sharing arrangements with the Commonwealth.

Only the Commonwealth component of the PBS cost will count towards the ceiling; it does not include the patient co-payment but does include mark up and dispensing fee if dispensed at a community pharmacy

Access to chemotherapy medications under Section 100 – Efficient Funding of Chemotherapy – Revised Arrangements

A range of chemotherapy medications are listed under the provisions of Section 100 of the *National Health Act 1953* and funded by the Commonwealth for day and non-admitted public hospital patients in participating hospitals.

The 'Efficient Funding of Chemotherapy – Section 100 Arrangements Supplement' contains a list of the medications accessible under this program. The Supplement is available to participating public hospitals.

The Commonwealth will assign a ceiling cap for chemotherapy in addition to the PBS ceiling cap for each participating hospital that provides oncology services. The reimbursement from Medicare Australia will be based on the most cost efficient combination of vials required to make up the dose of the required medication plus a preparation fee.

Risk sharing arrangements with the Commonwealth are the same as for the PBS Access Scheme.

Authority – required chemotherapy medications

Some medications will require prior authority approval from Medicare Australia before prescribing; although most are streamlined authority items. Doctors will continue to be able to prescribe using the existing drug chart; however they must include the streamlined authority number or indication on the order.

Implementation of APAC guiding principles for the Quality Use of Medicines

The Commonwealth requires the public hospitals participating in the Pharmaceutical Reforms to implement the Australian Pharmaceutical Advisory Council's (APAC) guiding principles to achieve continuity of medication management between hospital and the community.

The principles include:

- > Development and coordination of a medication discharge plan for each patient
- > Taking an accurate medication history as part of the admission process
- > Evaluation of current medication by hospital staff on admission
- > Development of a treatment and discharge plan relating to probable medication management, in consultation with the patient and/or carer
- > Pre-discharge medication review and dispensing of adequate medication
- > Provision of information to the patient, primary health care provider and carers
- > Provision of patient information regarding admission, medication changes and arrangements for follow-up to the health care provider(s) nominated by the patient

The Guidelines were first published in 1998 but have since been updated as the Guiding principles which were published in July 2005.

Link: ([Guiding Principles to achieve continuity in medication management](#))

Guiding Principles 1 - 3 address organisational requirements and 4 - 9 outline the specific activities needed for achieving the medication management continuum. Principle 10 is related to quality assurance.

Q: [How does the Commonwealth monitor the implementation of the APAC guidelines?](#)

The agreement with the Commonwealth requires a gradual implementation of the APAC guidelines from the time a hospital starts to access the Reforms.

The Department of Health will be required to submit reports which guarantee that South Australia has appropriate documentation from each participating hospital. Hospitals will be required to provide information on how they are meeting the milestones.



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