

Annual Report 08

FOR THE YEAR ENDED 31 DECEMBER 2008

Your Community Pharmacist: the health professional you see most often



PHARMACY GUILD
OF NEW ZEALAND

PRESIDENT'S REPORT



IT IS WITH GREAT PLEASURE THAT WE PRESENT THE PHARMACY GUILD OF NEW ZEALAND'S ANNUAL REPORT FOR 2008.

The past year was without a doubt one of change and growth for the Guild and I welcome this opportunity to share some of the highlights with you.

One of the most significant was a new Guild leadership team. As President I have sought to build on the work of past presidents, particularly the hard work and direction set by my predecessor Steve Wise. I want to take this opportunity to thank him for his significant contribution both as president and during the period in a dual role that included acting Chief Executive. We also welcomed Annabel Young as the Guild's new CEO. Annabel brings with her a wealth of business and management expertise as well as an insightful understanding of New Zealand's political landscape.

As President, it is my role along with my fellow executive councillors to set the Guild's strategic direction and determine the Guild's priorities for this year and beyond. It is my personal commitment to members to get the best possible Pharmacy Services Agreement for community pharmacy. In the current global economic environment this will not be without its challenges and members need to be realistic about what can be achieved. I remain convinced the Guild is taking the right approach by building our stakeholder relationships, identifying the DHBs' needs and framing our discussions in those terms and I'm confident we will see a better outcome from this approach.

While the Pharmacy Services Agreement is the priority, my vision for the Guild is not confined to that end. As our colleagues in the Pharmacy Guild of Australia have proved, raising the profile of pharmacy issues in the media and having the support of patients is very influential when talking to politicians and other stakeholders. I believe it is vital that we take this approach and the Guild is already moving in that direction.

I strongly believe that the Guild must engage its members in our activities and in turn, members must be more engaged in the debate about the future of community pharmacy. To facilitate this we seek to develop more direct communication from the Guild to members about our activities, and a stronger branch infrastructure to enable informed debate and discussion at the local level.

Finally, we continue to develop Guild non-fee income streams to reduce the financial burden on membership and further enhance our capacity.

The remainder of 2009 provides the Guild with a unique opportunity to realise the potential of community pharmacy. I am delighted to be able to play my part in building a brighter future for our profession and want to extend my thanks to Guild staff, the Executive Council and the Divisional Chairs for all their hard work.

The Guild is looking forward to an exciting and productive 2009 and beyond.

Ian Johnson
President, Pharmacy Guild of New Zealand

CHIEF EXECUTIVE'S REPORT

THIS YEAR HAS BEEN A PERIOD OF GREAT CHANGE AT THE GUILD.

My appointment as Chief Executive in June was part of that change but the shift began well before I arrived.

In the first six months of this year the acting Chief Executive and President, Steve Wise, began the reorientation of the Guild into an organisation that is focussed on getting results through building relationships. He identified barriers to success and began to make changes. The creation of the Community Pharmacy Leaders Forum (CPLF) and the commitment to the Standards NZ process of creating a high standard for pharmacy service are both examples of this new approach.

The last six months of 2008 were busy. We now have a clear strategy, set by the Executive Council, and the organisation has been realigned to achieve this. That strategy is based on community pharmacy being properly incentivised, for example incentivised to help DHBs and GPs meet their Key Performance Indicators. This is a shift from the old accounting/profits argument to a new case based on outputs supported by sound economic arguments. To that end we have made a change in the Guild team so that we have an economist in-house.

As good stewards of the members' interests, we have reviewed the management of Guild assets and taken steps to improve this return. We have realigned the financial reporting so that it is more transparent to management and the Executive Council, and we have ensured that the budget is aligned to the strategy. In the interests of promoting a contract that enhances viability of community pharmacy, we have been building our external relationships, always looking for the common ground. We have restored the capability of the marketing team so that we have a better voice to our members and we are better heard by external stakeholders.

The importance of membership has been recognised by the establishment of the new Members' Advocate position within the Guild team, focussing on what we need to do to get and retain members. The Guild is reliant on pharmacists to decide every year whether they want to join or re-join as members. This is essential for both our continued financial viability and our ability to be a credible representative of our members.

Some of these changes are invisible to members. Hopefully you have noticed the higher media profile and the greater level of communication between the Guild and you as a member. You may not have noticed the clearer accounts but this translates into being able to make better use of your membership fees and give you better value.

I want you to be assured that the Guild team understands the importance of our work in assisting you in your professional role and as business owners. This is the public/private partnership that is the core of the community pharmacy model in New Zealand.

Membership is the key to success and also a tool in ensuring that we are still there when members need us.



Annabel Young
Chief Executive, Pharmacy Guild of New Zealand

SOUTHERN (OTAGO) REPORT

I WISH TO THANK MY PEERS FOR ALLOWING ME TO REPRESENT COMMUNITY PHARMACY IN OTAGO/SOUTHLAND ON BEHALF OF THE GUILD.

During the past year the Guild saw a change in leadership with a new President and CEO.

The new leadership has a philosophy of change. I certainly hope we can rebuild relationships with our health care partners to allow pharmacy to develop and prosper in a more positive manner.

The recession has certainly been an eye opener for pharmacy. As a health care professional in pharmacy, we are regarded as an essential service and one which is not affected by difficult financial times. While we will not be completely unscathed, I feel extremely lucky to be involved in an industry that can maintain productivity in the current economic climate.

It is quite distressing to observe some of my peers who are upset by the notion that pharmacy is being ripped off by the DHBs. It is not the DHBs fault that there is no extra funding for pharmacy. Budgeting from the government has simply not been allocated towards pharmacy.

Any negative attitude from pharmacy is detrimental to our ability to source additional revenue ventures in the future. It is quite clear that justification of a major increase in our base dispensing fee is not feasible for our fund providers and it is time to move on from the idea that we shall obtain any at this stage.

We do have the ability to provide extra services for pharmacy from our funding providers, such as medication use reviews. We have tools available for training such as a MUR pharmacist and other possible value added services valued by our DHBs. As a community pharmacy owner envisaging increased funding for pharmacy services, I would encourage the hiring and retention of an accredited MUR-trained pharmacist. The DHBs welcome value added services but we need to justify these services by maintaining professional integrity in fostering positive partnerships.

Our partnerships can help us develop alternative funding initiatives such as our local Otago Southland DHB Community Pharmacy Initiative. The idea and purpose of this initiative is to look after the changing nature of pharmacy funding. This initiative may be on hold until it is accepted by all stakeholders, but it does pave the way for pharmacy to be associated with the original vision of what a PHO model was meant to be and how services were to be funded. It also allows pharmacy to be in control of its own funding destiny and to best serve the needs of our local population.

As the Otago Southland representative of the Guild, I hope to develop this project with national DHBs and Pharmac. If the Guild can finally have a sense of control and financial freedom, then we will be able to move on from our current position of refocusing and future proofing pharmacy's existence.

Lloyd Kan
Pharmacy Guild Southern (Otago) Division Chairperson

NORTHERN REPORT

AFTER OUR AGM IN MAY 2008, A FEW NEW FACES WERE WELCOMED INTO THE DIVISION.

We said farewell to Margie Paul and welcomed new administrator, Susan Jelicich. New members included Sunil Kumar from central Auckland and Shane Heswall from Northland. Ken Orr from Whangarei became one of our Guild executive representatives, while Marie Bennett and Leane Steele share the responsibilities of the remaining position on the Executive Council.

Each District Health Board now has a pharmacy advisor or reference group that meets regularly to discuss community pharmacy problems and projects. It is great to see how community pharmacists are being included in future plans and funding. Three Guild pharmacies also sit on the Northern Community Pharmacy Projects group, whose aim is to plan for pharmacy services in the northern region. They have produced a discussion document about improved patient outcomes through provision of accessible community pharmacy services as part of a multi-disciplinary primary care team.

The Branch is proactively trying to show members how to think outside the box and think about alternative streams of income. We welcome member input so we are a robust network which is demonstrating our ability and willingness to be involved at the forefront of health care.

I would like to take this opportunity to thank Ian, his team at Guild head office and to all Northern Guild members, especially the council for their support and hard work during the year.

Lyn Goddard
Pharmacy Guild Northern Division
Chairperson

MAJOR ACTIVITIES UNDERTAKEN IN EACH NORTHERN REGION INCLUDED:

- the Waitamata DHB undertaking Medicines Use Reviews (MUR) which ran from November 2008 to February 2009 involving five pharmacists. The results will be analysed and this newly formed advisory group is focussed on driving projects forward and duplicating the success of the Waikato group.
- pharmacy representatives in Waitemata sitting in on Primary Care Planning Team meetings every fortnight. They are looking at implementing a Primary Health Care Plan and are keen for pharmacies to be involved.
- the establishment of individual cell groups in Counties Manukau. These groups will report back to the DHB funding manager with suggestions for distributing funds.
- a pilot project by the Auckland DHB to provide the Emergency Contraceptive Pill (ECP) free of charge from October 2008 to March 2009. Along with the free ECP, patients also received 12 free condoms. Pharmacists collected data on each patient, including age, ethnicity and whether the patient had used ECP previously and if so, how often. They were also asked whether they would use it if it was not free. Nearly everyone canvassed said they would pay for it. The Auckland DHB also ran MURs in conjunction with Auckland University.
- a successful evening for young pharmacists run by Guild North, the Kimberly group and PWR. Ian Johnson gave an overview of the Guild's benefits and explained Healthpac's involvement and payment process. PWR's presentation included the basics of procurement, buying a pharmacy and accounting practices. We are looking at repeating the event this year.
- Lyn and Susan attending a careers afternoon at Avondale College. We have been asked to attend again this year.
- involvement in Testsafe Pharmacy – a repository where all dispensed prescriptions will be held. The information can only be accessed by an eligible health practitioner who can view the last six months dispensing. Community pharmacists will have access to certain lab tests.

MIDLANDS REPORT

2008 HAS BEEN A YEAR OF MAJOR CHANGE AND 2009 LOOKS TO BE NO DIFFERENT.

I personally would like to thank Maureen Horan and Owen Roberts for the effort they put into the Guild's Executive Council. We are always fully informed, and it is appreciated. It is reassuring to have representation from you.

The biggest problems facing today's pharmacy owners are no different to those faced by owners 10 years ago. The main problem is the apathetic nature of those involved.

It has become increasingly difficult to get pharmacy owners to meetings about how their business is run. Wouldn't you like to have a say in the direction community pharmacy in New Zealand is heading? Would you like to know what is really going on behind the scenes in community pharmacy in this country?

You may or may not be aware that the Pharmacy Guild of New Zealand is not just run in Wellington by a select few. There are representatives from all areas that give advice and direction to the Guild's CEO. These councillors are in turn directed by you – the local members. Strong local participation makes head office stronger.

If you are not satisfied with what you are getting, you need to get involved. No other organisation looks out solely for community pharmacy interests, and no one else has the scale of membership that the Guild has. Come and have a say.

On a more positive note we have as one of our own the current ProPharma supreme award winner and NZ young pharmacist of the year, Gemma Waterhouse. Even more satisfying is that our local branch helps fund her continuing education series. Congratulations Gemma.

The Waikato Community Pharmacy Group continues to go from strength to strength, and shows what can be achieved when local pharmacy, PHOs, and DHBs work together, rather than against each other.

I hope 2009 is fruitful for you all and that you get your weight behind the current contract negotiations.

Cliff Comins
Pharmacy Guild Midlands Division Chairperson

CENTRAL REPORT

The past year has been a year of change. It started in June 2008 at the Guild executive meeting and AGM in Auckland where we voted in a new Guild president, Ian Johnson, and vice president, Maureen Horan. Congratulations to you both and thanks for all your work so far. At the same meeting we also welcomed our new Guild CEO, Annabel Young. She has a big and complex job to get used to and we wish you well with the task ahead. Many issues continually face pharmacy and require a great deal of understanding about our profession.

The Guild Executive have formulated a new Guild strategy which looks at the way we deal with our funders and the way we do things as a Guild. The old adage being, "if we always do what we have always done, then we will continue to get what we always have". The strategy is medium to long term which revolves around building relationships with our funders and developing advocates out of groups, like Grey Power.

At the end of last year we saw a change of government. We have endured nine years of being undervalued as a profession – at no stage has pharmacy been recognised as an important component in providing primary health. It was a relief to see the change of Government. When speaking at a Guild function late last year, an associate minister mentioned the key role pharmacy plays as a primary health provider and that they see value in what we do. Even if it was just rhetoric, at least they are saying the right thing.

With change comes uncertainty but also opportunities. There is an opportunity to build on great work done by our colleagues around the country, for example the Waikato Community Pharmacy Group (WCPG). They have persevered and are succeeding with their DHB. The challenge is for the rest of us to follow in their footsteps, bury old history and get along side our DHBs. We need to tap into the funding available for extra value added services like MUR and free ECP consultations. The WCPG have shown us that perseverance does pay off in the end. Thank you to the entire Waikato group, who put on an expo earlier this year, and are offering us the opportunity to use them as an example in our own DHB areas.

We have a lot of work ahead of us. We need to build on the relationships we have and develop ones we do not have. This requires a clear strategy and for us to deliver on this strategy. It also requires pharmacy to unite. The opportunities are there, it is up to us to take advantage of them.

Best wishes for the 2009 year.

Tim Klingender
Pharmacy Guild Central Division Chairperson

SOUTHERN (CANTEBURY) REPORT

2008 HAS BEEN A YEAR OF THE ICEBERG. ON THE SURFACE, NOT MUCH HAS APPEARED TO BE GOING ON, BUT UNDERNEATH THERE HAS BEEN A FLURRY OF ACTIVITY AND THIS IS TRUE BOTH NATIONALLY AND LOCALLY.

You will all be aware of the reemergence of the CCPG (Canterbury Community Pharmacy Group), which has been a useful tool for local pharmacy owners over the past few years. However, over the last couple of months this group formalised and became an incorporated society. Half the CCPG committee are current Canterbury Guild committee members, including me. The remainder of the committee are local Guild members.

With change comes uncertainty but also opportunities. There is an opportunity to build on great work done by our colleagues around the country, for example the Waikato Community Pharmacy Group (WCPG).

While the CCPG is not a Guild initiative, nor does it utilise Guild resources, the Guild is certainly present by default. It is important for Guild members to recognise and stay in touch with the goings on of this group. It is important that members feel assured that they get the right information at all times before making decisions or taking action. The CCPG is not a splinter group of the Guild – this is a local group dealing with local issues.

One thing the CCPG has achieved is the alignment of 99% of members in Canterbury, and a corresponding 10% of the national owner membership. This makes them a powerful ally and another sword in the battle for a better deal for pharmacy. I am glad that Canterbury pharmacy has taken this step.

Canterbury Guild has some surplus funds available and I am asking for suggestions about how these could be put to work for local pharmacy. Your idea should include a suggestion that will show a return to its members.

I would also request you ask yourself the following question: "What can I do for my local members?" We can always do with a few extra members on the local executive and perhaps you have skills or resources that could be utilised. I would especially encourage the newer (and sometimes younger) members of our organisation to become better informed and involved. It's your future so ensure you get your say. It is important to realise that the Guild does have a place in your business.

Finally I'd like to say thank you to my committee team, and a special acknowledgement to Neil Savage for representing us at a national level as a Guild Councillor. I'd also like to acknowledge Denise Smith for her efforts as secretary of the local branch, and to my hard working pharmacist colleagues that have all contributed in their own way over the last 12 months.

I look forward to the following year.

Mark Webster
Pharmacy Guild Canterbury Division Chairperson

Highlights

GUILD LEADERSHIP 2008 saw a changing of the guard with new President, Ian Johnson, and new Chief Executive, Annabel Young. This in turn meant a change in direction towards better management of external relationships. Retiring president Steve Wise, whose term ended in June 2008, played a vital role in laying the foundation for the incoming leadership team.

FINANCIAL RESULT 2008 was a strong year financially. The Guild returned a comfortable surplus in 2008 following a deficit in 2007.

PHARMACEUTICAL SERVICES LIMITED The Guild's trading arm, PSL, continued to perform well and make a contribution to members and the Guild's financial stability.

ELECTION 2008 Activities undertaken by the Guild in the lead up to the general election included a one page summary of key pharmacy issues, the Guild Election Pack outlining the positions of the major political parties and hosting National MPs Hon Tony Ryall and Dr Jackie Blue at the Guild Executive Council meeting. Post-election, the Guild filled a gap left by health officials by preparing a briefing on community pharmacy for Tony Ryall, the new Minister of Health.

COMMUNITY PHARMACY LEADERS FORUM (CPLF) The formation of the CPLF brought together the Guild, the Pharmaceutical Society, Life Pharmacy, Radius Pharmacy and Pharmacybrands. The basic premise of the CPLF is that by presenting a united front to community pharmacy's stakeholders, there is much greater chance of achieving better outcomes for the sector as a whole.

VARIATION TO THE PHARMACY SERVICES AGREEMENT In October 2008 the Guild was consulted regarding an offer from the DHBs to increase the pharmacy services fee by 2.98%. Guild staff were involved in advising members about the implications of the fee variation.

PHARMACODE® The Guild's review of the Pharmacode® system in 2008 identified that the organisation was carrying a significant loss by providing this resource to the health system. In accordance with legal advice, the Guild issued new licenses to non member community pharmacies at an increased rate. This ensured Guild members were no longer subsidising Pharmacode® for all other health users.

FRIDAY FAX TO FRIDAY FIX In June the Guild began its weekly update to members, firstly as a fax on Friday afternoons and then as an email on Wednesdays. The weekly updates proved extremely popular and have improved communication between the Guild and its members. The Guild has plans to develop this further in 2009.

YOUR COMMUNITY PHARMACIST: THE HEALTH PROFESSIONAL YOU SEE MOST OFTEN 2008 saw the return of this powerful strapline to much of the Guild's communication. This phrase sends a strong message to our stakeholders about community pharmacists' accessibility and the important role they play in New Zealand's health system.

QUALITY PHARMACY ADVICE PROGRAMME Phase one of the Quality Pharmacy Advice Programme (QPA) was launched in November 2008. The QPA is a series of educational resources on minor conditions that are to be used for staff training material. The aim of the QPA is to upskill pharmacy staff and position community pharmacy as experts in everyday health advice.

PHARMACY TRANSLATION KIT The Pharmacy Translation Kit was launched in October 2008 at a function in Wellington. The Kit enables pharmacists to communicate important information to non-English speaking patients and is proving to be a valuable resource for our members. The Guild has also received many enquiries from other organisations about the Kit and how it was developed.

INCREASED MEDIA PROFILE The Guild made changes to its media strategy in an effort to increase the Guild and community pharmacy's profile in the media. This involved switching from a reactive to a proactive stance. This has meant releasing regular statements on key issues to all national media.

PHARMACY PRACTICE ADVICE The Guild continued to be of value to members in providing timely, high quality advice on technical issues affecting pharmacy practice.

GUILD INSURANCE The signing of the commercial agreement between the Guild and Guild Insurance signalled the beginning of an exciting new partnership for both organisations. It also secured an additional rent stream for the Guild.

The Guild's financial results are available from our website www.pgnz.org.nz