PHARMACY GUILD OF NEW ZEALAND

10 February 2025

PHARMAC
PO Box 10254
The Terrace
Wellington 6143

Sent via email to: consult@pharmac.govt.nz

Dear Sir/Madam,

Re: Proposal to widen access to medicines for blood cancer, inflammatory bowel diseases, eczema and rheumatoid arthritis

The Pharmacy Guild of New Zealand (Inc.) (the Guild) is a national membership organisation representing community pharmacy owners. We provide leadership on all issues affecting the sector and advocate for the business and professional interests of community pharmacy.

Our submission focuses on Guild members' concerns around general economic, funding and supply issues. Guild submissions should not be taken as any endorsement of, or any attempt to comment on, issues of safety, efficacy, or individual patient utility.

We support widening access to venetoclax, upadacitinib and azacitidine for the different health conditions as outlined in your proposal. However, to ensure the sustainability of community pharmacy operations and equitable access to care, we have identified several critical considerations that need to be addressed:

Financial impacts for community pharmacy

Expanding the indications for the funding for venetoclax, upadacitinib, and azacitidine is anticipated to drive a significant increase in prescription volumes, increasing the patient population from 1,100 to 5,000 over five years. However, managing larger quantities of high-cost medicines presents considerable financial risks to community pharmacies due to the substantial upfront purchasing costs.

Community pharmacies have traditionally been cautious about stocking medicines in these price bands due to the risk of financial losses. Unlike lower-cost medicines, which can be more easily managed with standard inventory practices, expensive medicines require substantial upfront investment. If demand fluctuates, expiry dates approach, or prescriptions are cancelled, community pharmacies may face considerable financial losses.

Community pharmacies currently have the ability to claim wastage for venetoclax, however, this provision does not extend to situations where a patient passes away, does not collect their dispensed medicine due to a change in treatment prescribed by their clinician, or if the medicine expires. Upadacitinib and azacitidine are not eligible for wastage claims. We urge Pharmac to not only include the claiming of wastage for upadacitinib and azacitidine but also to ensure that pharmacies can claim wastage for all three medicines in cases where patients pass away or do not collect their dispensed medicines due to a change in prescribed treatment. These circumstances are beyond the control of pharmacies, and it is inequitable for them to bear the

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financial burden of medicine wastage resulting from factors outside their influence. Recognising wastage in these scenarios would support pharmacy sustainability and ensure that pharmacies can continue to provide essential services without undue financial strain.

Moreover, community pharmacies often have limited options for second-sourcing high-cost medicines from alternative wholesalers, as the current funding model relies heavily on Terms of Trade (TOT), which dictate purchasing terms, rebates, and discounts. These agreements are crucial not only for generating profit but, in some cases, for ensuring pharmacies can break even when dispensing high-cost medicines. Without sufficient margin from these agreements, community pharmacies may struggle to stock such medicines, ultimately impacting patient access and continuity of care.

To mitigate these risks, we recommend the introduction of a dedicated handling and stockholding fee that accurately reflects the financial burden of managing high-cost stock. This fee should account for not only the upfront purchasing costs but also the ongoing financial risks associated with stock expiration, storage requirements, and the potential for prescription changes or cancellations (if wastage isn't claimable). A tiered or sliding scale approach, based on the cost or volume of stock, could be implemented to ensure fair compensation for varying levels of financial risk.

Administrative burden

Streamlining Special Authority requirements will significantly reduce the administrative burden on community pharmacies, allowing pharmacists to focus more on patient care rather than time-consuming paperwork. However, to ensure a smooth transition, it is crucial to establish clear and consistent guidelines and regular updates to prescribers, through interactive training modules, quick reference tools and direct support channels on Special Authority requirements for processing claims on newly funded treatments. These guidelines should be easily accessible and designed to minimise claim rejections, reducing disruptions to both pharmacy operations and patient access to medicines.

Ongoing and comprehensive training for prescribers is essential to improve prescription accuracy and reduce administrative errors. Community pharmacies frequently encounter issues with incorrectly completed prescriptions, often due to expired or incorrect Special Authority numbers, leading to unnecessary delays, increased workload for pharmacy staff, and potential interruptions in patient treatment. This challenge will be particularly significant for these medicines when used for ulcerative colitis and atopic dermatitis, where Special Authority numbers are valid for only six months.

Workflow impacts

Managing complex dosing regimens, such as venetoclax titration schedules, presents significant challenges for community pharmacies. These regimens require careful oversight, including dose adjustments, patient monitoring, and ensuring adherence to strict titration protocols.

Stocking multiple strengths or formulations of venetoclax to accommodate titration schedules also increases inventory complexity, necessitating robust stock management and additional storage considerations. These responsibilities place a substantial time and resource burden on pharmacists, who must provide specialised expertise to ensure patient safety – yet there is currently no dedicated remuneration for this critical work.

To address this gap, we recommend the introduction of a remuneration model similar to the dispensing fee for the Clozapine service, specifically for prescription medicines that require titration. This fee would compensate pharmacists for the additional clinical oversight, patient counselling, and logistical challenges associated with managing these high-risk medicines.

Supply shortages of highly important medicines such as these pose a significant risk to both community pharmacy workflows and patient care, potentially leading to treatment delays, increased administrative workload, and added stress for both pharmacists and patients. To mitigate these challenges, implementing a real-time inventory management system, subsidised by Pharmac, would provide pharmacies with accurate, up-to-date stock information, and help identify potential shortages early, allowing for proactive stock redistribution and minimising the risk of stockouts.

Fostering regional collaboration among pharmacies to share high-cost stock could further reduce supply pressures and financial risks. Establishing a coordinated stock-sharing network would enable pharmacies to access essential medicines more efficiently, particularly for infrequently prescribed but expensive treatments. A structured framework, supported by clear guidelines on logistics, reimbursement, and regulatory considerations, would ensure seamless stock transfers while maintaining patient safety and compliance.

Additional patient counselling and support

Supporting patients in transitioning from injectable to oral therapies, managing side effects (such as venetoclax titration), and adhering to complex medicine regimens will require additional consultation time and tailored guidance from pharmacists. Ensuring patients understand how to take their medicines correctly, recognise potential side effects, and adhere to their treatment plans is crucial for achieving optimal health outcomes.

To support community pharmacies in delivering this essential patient education, we encourage Pharmac to collaborate with suppliers to develop comprehensive patient-facing materials, such as easy-to-understand leaflets, instructional videos, and digital resources that can be easily accessible. These materials should provide clear, standardised information on medicine administration, potential side effects, and strategies for adherence, ensuring consistency across all points of care.

Additionally, incorporating pharmacist-led medicine counselling sessions, either in person or via telehealth, could further enhance patient understanding and engagement. Recognising the additional time and expertise required for these consultations, appropriate funding should be considered to compensate community pharmacies for providing this expanded level of care.

Expanding prescriber eligibility will require stronger collaboration between community pharmacies, specialists, and general practitioners to ensure prescriptions align with funding criteria. Clear communication and streamlined processes will be essential to prevent discrepancies that could lead to delays or access barriers for patients. To reduce manual workload and improve accuracy, automated tools for verifying prescriber eligibility should be developed.

We recommend that pharmacies be granted funded access to the Conporto platform, which is already equipped to address these challenges. Utilising such a system would enable real-time verification, ensuring prescriptions meet funding requirements before they reach the pharmacy.

Integrating digital solutions within prescribing software, such as automated validation tools that flag errors before prescriptions are sent to a pharmacy, would further enhance accuracy and efficiency. Real-time verification systems could help prevent common mistakes, reducing administrative burdens on both prescribers and pharmacists while ensuring patients receive timely access to their medicines.

Summary

The transition from biologics to oral therapies for the health conditions mentioned in your proposal places greater responsibility on community pharmacies, not only for dispensing, but also for providing comprehensive patient education on medicine use, adherence, and potential side effects. As pharmacies become the primary point of access for these therapies, they will need to manage increased patient enquiries, ensure seamless supply, and address any barriers to adherence. To support this shift, we recommend the establishment of compensation mechanisms that account for the additional time, expertise, and financial costs incurred by pharmacies. These should include reimbursement for extended consultations, where pharmacists guide patients through complex dosing regimens, side effect management, and adherence strategies.

Financial support should be considered for pharmacies that experience supply chain disruptions or delays, helping to mitigate the operational challenges and costs associated with sourcing alternative stock and managing patient expectations.

Community pharmacies play a crucial role in ensuring equitable access to high-cost medicines such as venetoclax, upadacitinib, and azacitidine. While this expansion presents opportunities, it also introduces financial risks. We urge Pharmac to consider our recommendations to ensure the success of this proposal while maintaining the critical role of community pharmacies in delivering accessible, high-quality healthcare and improving patient access to essential therapies.

If you have any questions about our proposal, please contact our Senior Advisory Pharmacists, Martin Lowis (martin@pgnz.org.nz, 04 802 8218) or Cathy Martin (cathy@pgnz.org.nz, 04 802 8214).

Yours sincerely,

Nicole Rickman
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