

30 May 2025

PHARMAC
PO Box 10254
The Terrace
Wellington 6143

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

Dear Sir/Madam,

Re: Proposal to amend access to Covid-19 antivirals and change supply and reimbursement arrangements

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

This submission focuses on Guild members' concerns around general economics, funding, access, and supply issues. Guild submissions should not be taken as any endorsement of, or any attempt to comment on, issues on medicine safety, efficacy, or appropriateness for individual patients.

We support the intent to normalise Covid-19 antiviral access pathways and improve equity by aligning supply mechanisms with standard dispensing practices. However, some aspects of the proposal raise concerns, particularly community pharmacy remuneration and supply logistics.

Positive aspects of the proposal

- **Removal of Xpharm status and integration into standard supply chains**

Removing the Xpharm status from Paxlovid is a positive and long-overdue change, by aligning its distribution with existing medicine supply processes, would mean community pharmacies are able to order this medicine through the usual channels and be fairly reimbursed under the Integrated Community Pharmacy Services Agreement (ICPSA), including a dispensing fee and margin, as they do with other funded medicines. Throughout the pandemic, community pharmacists have borne significant administrative and clinical burdens in supplying Covid-19 antivirals to eligible individuals, often without appropriate compensation. This change will help to correct that imbalance, streamlining operations and supporting a more equitable, sustainable and efficient model for ongoing access to Covid-19 antiviral treatments within the community setting.

- **Equitable access through simplified eligibility**

We welcome the simplification and broadening of eligibility for funded Covid-19 antivirals to include all individuals aged 50 and over who are at high risk of severe illness. This change represents a significant step towards improving health equity by reducing barriers that have previously limited timely access to treatment, particularly for those in underserved or vulnerable populations. The simplified and expanded eligibility criteria will be easier for both patients and healthcare providers to understand and implement, helping to minimise delays in treatment initiation and promote more consistent access across different regions and population groups. By reducing reliance on navigating complicated eligibility requirements or securing a GP consultation

to confirm access, the proposal supports a more inclusive and responsive healthcare system where access to Covid-19 antivirals is determined by clinical need rather than system complexity.

- **Recognition of pharmacist clinical involvement in Covid-19 antiviral management**

Community pharmacists have consistently demonstrated their capability and trustworthiness in ensuring timely access to Covid-19 antivirals, particularly when general practice availability is limited. The proposed expansion and simplification of access criteria for funded Covid-19 antivirals will broaden the range of patients that community pharmacies can support, allowing for earlier intervention and more equitable access to treatment for a larger group of at-risk individuals. This shift will empower pharmacists to take a more proactive role in reducing severe outcomes and hospitalisations, while also providing an opportunity for pharmacists to engage more actively in patient education, clinical risk assessment, and the promotion of timely treatment. In doing so, the proposal strengthens the position of community pharmacies as trusted, accessible, front-line healthcare providers and supports their continued involvement in managing infectious diseases at a population level.

Concerns and unintended consequences of the proposal

- **Potential conflict with the existing Health New Zealand (HNZ) Communicable Diseases and Novel Virus Outbreak Response Agreement**

Community pharmacies currently supplying funded Covid-19 antivirals to eligible individuals under Pharmac's access criteria do so through a separate agreement from the ICPSA. This arrangement, known as the *Communicable Diseases and Novel Virus Outbreak Response Agreement*, remains in effect until 30 September 2026.

The funding mechanism under this agreement differs from the standard ICPSA processes and community pharmacies claim reimbursement for services either via invoice or through an electronic portal, rather than through the usual dispensing claim channels. Importantly, clause B7.1(b) of the Communicable Diseases and Novel Virus Outbreak Response Agreement prohibits community pharmacies from being reimbursed twice for the same service. The proposal provides limited detail on how community pharmacies will be reimbursed, including whether the existing agreement will still apply or if the service will be funded as part of the ICPSA.

Should a new arrangement be implemented, we strongly recommend that meaningful engagement occurs between Pharmac, HNZ and the community pharmacy sector prior to rollout to ensure service funding is appropriate, and that contractual agreements are updated accordingly. Consideration must also be given to whether changes will apply to the government co-payment (currently waived for Covid-19 antiviral dispensing), its availability under rural Practitioner Supply Orders, and that community pharmacies are provided with clear operational guidance to support a smooth transition.

- **Lack of implementation detail from the shift from Xpharm to standard supply over the transitional period**

The proposal notes that "*there may be Pharmac-owned stock remaining in the supply chain after the listing dates, and Pharmac would work with wholesalers, pharmacies, and Health NZ to manage this stock.*" However, it offers limited detail on how this transition will be handled in practice at the community pharmacy level.

If this proposal is to proceed, clear and coordinated guidance will be essential to avoid confusion around stock ownership, claiming processes, and replacement timelines during the transition from

Xpharm stock to the standard funded supply. Community pharmacies will need clarity on whether they are expected to continue dispensing existing Xpharm stock, how to distinguish between stock types, and when they should begin ordering under the new model or there may be a risk of operational disruption, stock wastage, or delays in treatment access for patients.

We strongly recommend that a comprehensive transition plan be developed and communicated in advance, in collaboration with the community pharmacy sector and wholesalers, and should include detailed protocols for managing existing stock, reimbursement procedures, and support for inventory reconciliation to ensure a smooth and equitable shift to the new supply and funding arrangements.

- **Increased financial burden and potential reduction in service availability**

Transitioning Covid-19 antivirals into standard pharmaceutical supply chains will require community pharmacies to purchase stock upfront and seek reimbursement after dispensing. While this approach reflects the existing funding model for other subsidised medicines, it introduces financial challenges, particularly for smaller, independent, or rural pharmacies operating on tighter margins. The added responsibility to manage inventory for time-sensitive medicines, such as Covid-19 antivirals with limited shelf lives, further compounds the financial and logistical burden.

These challenges may deter some community pharmacies from continuing to offer Covid-19 antiviral services, potentially leading to a reduction in service availability. This risk is particularly concerning in rural and underserved communities, where community pharmacy services are often the most accessible point of care. A decline in community pharmacy participation could significantly limit timely treatment access for high-risk patients, disproportionately impacting vulnerable populations and undermining national efforts to promote health equity and pandemic resilience.

To mitigate these risks, we encourage Pharmac to work closely with HNZ to explore mechanisms to support community pharmacies during the transition, such as adjustments to reimbursement timelines. It is also important that there is a mechanism to ensure pharmacies do not bear the risk of expired stock. Ensuring the continued involvement of community pharmacies is vital to sustaining equitable access to Covid-19 antivirals and maintaining a responsive, community-based healthcare infrastructure.

We welcome further engagement with both Pharmac and HNZ in the co-design of clear, coordinated implementation plans and appropriate funding mechanisms to ensure the proposal achieves its objectives without compromising the sustainability of community pharmacy services or equitable access to Covid-19 antiviral treatment across the motu.

If you have any questions about our response, 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

General Manager – Membership and Professional Services