



SUBMISSION

THE DIGITAL ECONOMY: OPENING UP THE CONVERSATION

The Pharmacy Guild of Australia (the '**Guild**') is pleased to provide this submission to the Digital Economy Strategy Team on 'The Digital Economy: Opening up the Conversation'.

The Guild is the national peak organisation representing the owners of community pharmacies that are responsible for dispensing of medicines under the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS) and for the provision of related medicine services, support and advice to the Australian public.

These owners of Australia's 5,700 community pharmacies are tasked with running successful small businesses that provide medicines, primary and preventive healthcare to their patients. Community pharmacies across Australia dispense more than 300 million prescriptions annually with the community pharmacy model receiving very high levels of public trust and support. Qualitative and quantitative research has confirmed that community pharmacies consistently meet the needs and expectations of consumers.

The Guild's major activities include liaison and negotiation with governments and other organisations in the health system and the Guild is registered under the Federal Fair Work Act (Registered Organisations) Act 2009 as an employers' organisation.

Community Pharmacy and digital adoption

The Australian community pharmacy sector is a unique business model; competing retail small businesses owned by pharmacists with the professional obligations of pharmacy practice. Community pharmacists have ethical as well as legal responsibilities which need to be taken into account when seeking to digitally transform their businesses.

The sector leads the way in its willingness to participate in the digital economy and adopt innovative technologies and strategies in its mission to offer the highest standard of medicines and other health care services. Whether those innovations are technological, systematic or strategic in nature, the Guild has worked with the pharmacy sector in developing and implementing the necessary infrastructure and -cultural changes to implement in ways that deliver practical benefits to the Australian public.



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In the area of Digital Health, no other profession has done more than community pharmacy in terms of investing its own funds to support the challenging transition to a Digital Health model, including:

PBS Online - assisting the Government with prompt data collection and unquestionably improving the administrative efficiency of PBS and RPBS claiming and payments.

Because PBS Online is the primary means for transmitting data between pharmacies and the Department of Human Services – Medicare (DHS) for the payment of PBS and RPBS claims, virtually 100% of community pharmacies are connected to PBS Online.

Electronic Transfer of Prescriptions and eRx Script Exchange - an industry-driven partnership focused on the Electronic Transfer of Prescriptions (ETP) to the benefit of patients, pharmacists, GPs and medical practitioners, utilising eHealth/Digital Health to strengthen patient safety and confidence through greater accuracy of dispensing and reducing the risk of errors; producing a better experience for patients, and resulting in improving patient care between GPs and community pharmacies.

Find-a-Pharmacy - the ability to locate pharmacy premises, view opening hours, see what services are provided and even find out which languages are spoken within a pharmacy. The *findapharmacy.com.au* service enables patients to view/print a map and driving instructions from their front door to the pharmacy. This is particularly useful for travellers who are seeking a pharmacy while on the road.

MedsASSIST - a real-time clinical decision support tool within a recording and monitoring system for medicines containing codeine. Developed with a focus on patient care and patient pain management support pathways designed to help community pharmacists identify patients who are at risk of codeine dependence. It facilitates access to suitable referral pathways to support patients to better manage their pain and enhance health outcomes. To date 4,028 pharmacies (around 70 per cent of Australia's 5700 PBS-approved pharmacies) are using MedsASSIST.

Community pharmacy has always been a strong advocate for *Real-time Prescription Monitoring (RTPM)* and, in fact, has been the leading advocate for a national RTPM system to address prescription drug misuse and overdose at both State and Commonwealth Government level.

Digital disruption and opportunity

Digital disruptors of the Australia healthcare system are being driven by the opportunity to enhance a patient's access to the health system via the *new healthcare ecosystem*. This new ecosystem is fundamentally changing the way technology is used for care delivery; influenced by key global foundational trends, including:

- *The Internet of Things (IoT)*
- *The Internet of Me (IoM)*
- *Combinational innovation* - ‘consumer solutions with clinical capability’ and ‘clinical solutions with consumer features’
- *Intelligent enterprise* – including big data/small data, and
- *Medications and medication management* – as 50% of patients with chronic disease do not take their medication as prescribed, the disruption opportunity is focusing on solving the problem of medication adherence through digital medication and adherence transparency solutions.

Australian governments, both at a State and Commonwealth level, also have a key role in ensuring that disruption in the health sector is managed in a way that delivers maximum benefit for patients and is sustainable for health care providers. The Australian Government’s Digital Transformation Agency (DTA) leads the Federal Government’s broader digital economy agenda with the ambitious goal of ‘making it simple and fast to get things done with government, through any channel’ and aligning with other whole-of-government (WofG) reform agendas. From a community pharmacy perspective, it is important that business processes are streamlined and that change management requirements are adequately resourced so as to ensure the digital economy is delivering the benefits to ‘on-the-ground’ businesses so that these can be passed onto the consumer. A great example of innovation supported with effective and incentivised change management was *PBS Online* (see previous section).

Community pharmacy’s unique role as a ‘market steward’ for the Federal Government in delivering the PBS to the Australian public means that in the short to medium term, technology enabled disruption will most likely continue to occur from within the sector as well as being led by government.

Community pharmacies are facing a range of digital disruptors presenting innovation opportunities to pharmacy practice and operations, including:

E-Prescribing and E-Dispensing: the removal of the requirement for a piece of paper to fulfil a prescription is likely to occur in coming years. This is being looked at by government as an efficiency opportunity and is likely to be embraced by consumers. However it will be critically important that the introduction of e-prescriptions maintains patient choice and does not allow channelling by prescribers.

Real-time Prescription Monitoring (RTPM): with three Australians dying every day from prescription drug misuse and overdose a national RTPM system is required – a system that is industry-led providing an end-to-end solution for supply of medications data from existing infrastructure as well as real time reporting, alerting and analytics with the capability to make that data available to state-based repositories as required.

Amazon and other global online retailers: Amazon has foreshadowed its entry into the Australian market and is likely to retail online a range of products sold through community pharmacies. Other existing Australian and overseas retailers are increasing their online offerings of pharmacy products. The ability of community pharmacies to respond to this e-tailing market place will determine their ability to maintain the front-of-shop offerings.

Digital Health records: The opt-out regime for the My Health Record is likely, over time, to result in consumers carrying their key health information digitally, with those health providers that integrate with this patient-driven environment most likely to gain advantage in the market. Key health providers positioned at key 'intersections' of the healthcare system, will need to have access to this information to support their clinical services in preventative health and chronic disease management.

Dr Google: Increasingly, consumers are seeking health advice online and then self-determining the extent to which they will seek out a health professional for assistance. This may make it less likely that consumers will seek out pharmacies as a first port of call, but will open up opportunities for pharmacies (if they have a significant digital presence) to broaden their service offerings to digitally savvy patients.

Patient devices: The Internet of Things (IoT) will mean that consumers will self-monitor and have their health monitored and supported through the connectivity of devices and web-based applications. Those pharmacies that find ways to monetise this digitally enabled self and supported care model will benefit.

The physical four walls: A common theme of digital disruption is that it renders the physical location of traditional businesses and the qualifications and skills of traditional professionals less relevant and even obsolete. In healthcare, the silos between healthcare professionals and where they practise are likely to be broken down, with patients receiving services where, when and from whom best meets their needs.

Role of Government

Government needs to lead through the development and implementation of standards, policy, and ultimately, legislation that will support and enable protective mechanisms to be in place that affect a balance between supporting growth and innovation while providing the confidence for business and healthcare to be conducted in a secure environment.

Small businesses should be supported, through education, awareness raising and where appropriate incentives to become active participants in the digital economy. Practical support helping small businesses that are setting up e-commerce platforms, introducing cloud based business solutions and considering Omni marketing strategies to compete in the digital market place would be an investment in future jobs and productivity.

Innovation underpinned by privacy and cyber security

The *Privacy Act* and the *Australian Privacy Principles* provide the legislation framework for the protection of personal information. Both the application of, and compliance to, the *Privacy Act* needs to support digital innovation in a way that provides the balance between legislative protection for the patient and healthcare provider while allowing innovation that disrupts ineffective and inefficient ways of doing business and providing enhanced healthcare.

Many small businesses would benefit from practical advice on the threats of cyber security and cyber-crime, including encouragement to take out cyber insurance. This could be led by a Government initiative or by supporting peak bodies to deliver support and guidance in these areas.

Finally, community pharmacies will need to continue adjusting to support their patients' desire to empower themselves and take more control and ownership of their health data across care settings (both in acute and community settings).

The proliferation of medication adherence 'apps' is slowly but surely changing the patient/pharmacy relationship and this requires significant adjustment both at an organisational pharmacy and community pharmacy level.
