Outpatient Pharmaceutical Arrangements and Safety Net Arrangements

Document Number PD2012_068
Publication date 21-Dec-2012
Functional Sub group Corporate Administration - Fees
Clinical/ Patient Services - Pharmaceutical
Summary This Policy Directive specifies safety net arrangements and requirements for the purchase and supply of pharmaceuticals by public hospitals to outpatients.
Author Branch Inter-Government and Funding Strategies
Branch contact Paul Verdich 9391 9478
Applies to Local Health Districts, Board Governed Statutory Health Corporations, Specialty Network Governed Statutory Health Corporations, Affiliated Health Organisations, Public Health Units
Audience Chief Executives of LHDs, Pharmacy, Finance
Distributed to Public Health System, Ministry of Health
Review date 21-Dec-2017
Policy Manual Fees
File No. 98/93-8
Status Active

Director-General

This Policy Directive may be varied, withdrawn or replaced at any time. Compliance with this directive is mandatory for NSW Health and is a condition of subsidy for public health organisations.
OUTPATIENT PHARMACEUTICAL ARRANGEMENTS AND SAFETY NET ARRANGEMENTS

PURPOSE
This Policy Directive outlines the procedure for the purchase and provision of pharmaceuticals in NSW public hospitals (Attachment 1), and details the requirements under the National Safety Net Scheme for provision of prescription items supplied by a public hospital outpatient pharmacy (Attachment 2).

The Australian Government announces its decision annually concerning pharmaceutical fees for general category beneficiaries and concessional beneficiaries. The updated charges for 2013 for pharmaceuticals and the expenditure thresholds for safety net concessions are provided separately in IB2012_041.

MANDATORY REQUIREMENTS
The requirements for the purchasing and supply of pharmaceuticals as outlined in this policy are to be implemented within all public hospital pharmacies. The annual rates for outpatient pharmaceutical charging and the safety net threshold, as set by the Australian Government (covered in IB2012_041), are applied in accordance with the attached procedures.

IMPLEMENTATION
Local Health District Chief Executives must ensure this policy and its attachments are brought to the attention of Hospital Pharmacy staff, Medical Administrators and Finance staff for implementation.

REVISION HISTORY

<table>
<thead>
<tr>
<th>Version</th>
<th>Approved by</th>
<th>Amendment notes</th>
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<tbody>
<tr>
<td>Month/Year December 2011 (PD2011_079)</td>
<td>Deputy Director-General Strategy and Resources</td>
<td>Replaces PD2012_025. Revises Clauses 3, 4 and 5 in Attachment 1, dealing with maximum supply of various pharmaceuticals. This is to better reflect changes to supply of Highly Specialised drugs (HSD) and co-payments for chemotherapy patients.</td>
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<tr>
<td>Month/Year December 2009 (PD2009_084)</td>
<td>Deputy Director-General Strategic Development</td>
<td>Replaces PD2009_084. Revision to Paragraphs 5 and 6 in Attachment 1, dealing with supplying pharmaceuticals exceeding one month’s supply, as well as Paragraph 7 regarding the co-payment charge for S100 Highly Specialised Drugs. Revision to Section 1.5 in Attachment 2 to ensure consistency with PBS in relation to the co-payment being for each item dispensed.</td>
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<tr>
<td>Month/Year January 2009 (PD2009_007)</td>
<td>Director-General</td>
<td>Replaces PD2009_007. Policy content only issued as a standing policy in the new policy format. Introduces issuing Information Bulletins to advise the health system of the Australian Government annual rate updates.</td>
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<tr>
<td>Month/Year December 2008 (PD2008_003)</td>
<td>Deputy Director-General</td>
<td>Replaces PD2008-003. Provided fees for 2009</td>
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ATTACHMENTS
1. NSW Health Procedures for Purchase and Supply of Pharmaceuticals.
1. The Pharmaceutical Benefit Schedule (PBS) prescriptions should not be used to obtain hospital pharmaceutical supplies for use within the hospital.

2. Hospital pharmacies are required to purchase pharmaceuticals in accordance with the supply contracts arranged by the NSW State Contracts Control Board. If a required pharmaceutical substance is not available as a contract item, it may be purchased from a non-contract supplier.

3. Pharmaceuticals are to be issued without charge as medically prescribed to inpatients and same day patients of the hospital irrespective of whether they are public or private inpatients. Take home supplies of pharmaceuticals should not exceed 7 days’ supply to patients when they are discharged from hospital, unless prior authority has been obtained from the Chief Executive, the Medical Administrator, or the Medical Administrator’s nominee.

- Where a prescription for a S100 Highly Specialised Drug is provided on discharge, an amount up to the PBS authorized maximum quantity, when ordered by the prescriber and where clinically appropriate, can be supplied. No repeats may be authorized on a discharge prescription.

- Where a full course of medication is provided to an admitted patient on discharge, then a patient co-payment is to be charged at the same level as directed for outpatients. Note that where (as detailed under paragraph 3) the amount of a S100 HSD supplied on discharge exceeds 7 days supply, the appropriate Commonwealth determined co-payment should be charged.

4. The issue of pharmaceuticals classified as Section 100 Highly Specialised Drugs, can be supplied up to the PBS authorized maximum quantities and number of repeats, pending stock availability and product stability, and under the following circumstances:

- The patient has been stabilised on the current regimen and the regimen is unlikely to change in the foreseeable future.
- The patient is adherent to the current regimen.
- The patient is able to afford to pay outpatient co-payments for the prescribed items and quantities.
- The prescriber considers that the patient is clinically appropriate to receive up to the prescribed quantity at a time.

However, for medications where restricted supply requirements are mandated (eg. thalidomide, lenalidomide, clozapine), extended supply beyond the mandated program requirements should not be permitted

Eligible patients will pay the designated co-payment for the dispensed quantity for each item on each occasion, even if 2 or more items are different strengths or forms of the same medicine. Where multiple supplies of the same drug under Regulation 24 of the National Health Act are dispensed, one co-payment per maximum PBS quantity must be applied.

While existing S100 Patient Declaration Forms (PDF) should be retained, new prescriptions endorsed with the streamlined computer authorization codes do not require a PDF.
5. Issue of pharmaceuticals which are **NOT** classified as Section 100 Highly Specialised Drugs, should normally not exceed one month’s supply per medical attendance, however, up to a maximum of four months’ supply per medical attendance may be permitted, pending stock availability and product stability, but only under the following circumstances:

- The patient has been stabilised on the current regimen and the regimen is unlikely to change in the foreseeable future.
- The patient is adherent to the current regimen.
- The patient is able to afford to pay outpatient co-payments for four months’ supply.
- The prescriber considers that the patient is clinically appropriate to receive up to four months of medication at a time.

Eligible outpatients (other than chemotherapy patients) will pay the designated co-payment for one month supply for each item dispensed, even if 2 or more items are different strengths or forms of the same medicine.

Chemotherapy patients pay only one co-payment for each original prescription dispensed for chemotherapy medicines for injection/infusion, but **not** for repeat prescriptions. Note that arrangements do not change for oral chemotherapy medicines or for highly specialised drugs.

6. Charges should not be raised for supply of small quantities of medication issued to hospital accident and emergency patients (ie starter pack).

7. Where pharmaceuticals are supplied to an outpatient for the purpose of an official clinical trial, no charge is to be raised for either a public or private patient. **Prior approval must be obtained from the Chief Executive, the Medical Administrator or the Medical Administrator's nominee.**

8. Subject to Point 10 below, non-hospital clients/patients (ie privately referred non-inpatients) are **NOT** to be provided with pharmaceuticals, except where special forms of drugs are not available from a source other than a hospital pharmacy. **Such supplies may only be dispensed with the approval of the Chief Executive, the Medical Administrator or the Medical Administrator's nominee, and are to be charged at the normal hospital outpatient rate.**

9. Medical practitioners who prescribe and administer medications in their rooms to non-hospital patients for any of the purposes indicated in Point 10 must submit a signed order to the pharmacy of a hospital for replacement, free of charge, of this medication. It is the responsibility of the medical practitioner to establish a relationship with a hospital pharmacy for this purpose.

10. To enhance patient compliance and control of certain infectious diseases, non-hospital patients will be supplied the following free of charge:
   a. Medications specifically for tuberculosis, bacterial sexually-transmissible diseases and leprosy; and
   b. Medications prescribed subsequent to attendance at a Sexual Assault Service.
1.1 Joint Australian Government/State Pharmaceutical Arrangements

The Safety Net Scheme is designed to protect those patients and their families who require a large number of prescription items supplied either by a National Health Act (NHA) approved community pharmacy or public hospital outpatient pharmacy.

The Scheme requires patients to maintain for safety net reasons, a separate record of expenditure on medications supplied through NSW public hospital outpatient pharmacies and NHA approved community pharmacies. When patient expenditure reaches a certain monetary value they qualify for any further items at either a concessional price or free.

The administrative procedures underpinning the Joint Australian Government/State safety net scheme are set out below:

1.2 Prescription Record Forms (PRF)

- Patients concurrently obtaining prescription supplies from NHA approved community pharmacies and hospital out-patient clinics will be required to operate parallel Prescription Record Forms and separately record prescription purchases received from either source.

- A similar but not identical PRF will be used in both the hospital and community pharmacy settings.

1.3 Eligible Drugs

Drugs eligible for inclusion under joint arrangements will be:

- Where supplies are received from a NHA approved community pharmacy - PBS listed drugs only; and

- Where supplies are received from a public hospital in association with attendance at an outpatient clinic - PBS listed drugs and non-PBS drugs prescribed by a hospital physician which have been approved by a hospital therapeutics committee.

1.4 Procedures for Issue of Entitlements

When the combination of medications received from the NHA approved community pharmacy and hospital out-patient clinics and recorded on the PRF(s) reaches the designated expenditure threshold, the patient (or patient's agent) upon presentation of the completed PRFs to a public hospital, Medicare office or community pharmacy will be issued either:

- A PBS Safety Net Entitlement Card, conveying eligibility for free benefits; or

- A PBS Safety Net Concession Card, conveying eligibility for concessional benefits (general patients having reached the annual safety net threshold).
Entitlement or Concession Cards so issued will convey common eligibility under the community pharmacy or NSW public hospital out-patient system.

1.5 Drug Supply

The outpatient co-payment charges will apply to the quantity of medication supplied as specified in Attachment 1.

1.6 Recording of Prescription Information

In order to meet Australian Government requirements in relation to identification of individual drugs recorded on a PRF, hospital pharmacists must ensure the entry of sufficient information on the PRF to allow proper identification of the drug supplied.

Patient prescription information which must be recorded on the PRF includes:
- date of supply
- hospital approval number
- drug identification (strength and quantity not required) and
- value

Please note that the consequence of not recording the drug identification is that the amount recorded next to this purchase will not be recognised by Medicare Australia for issue of a PBS Concession or Entitlement card, and hence such patients would be seriously disadvantaged financially.

1.7 Distribution of Safety Net Stationery

Supplies of Safety Net Entitlement and Concession Cards and other stationery such as Prescription Record Forms can be obtained by contacting Medicare by telephone on 132 290 from anywhere in Australia.