

Pharmaceutical and Safety Net Arrangements for Outpatients and Patients on Discharge

Summary This Policy Directive outlines procedures for pharmaceuticals provided to outpatients and patients on discharge in NSW public hospitals, including patient co-payment charges and requirements under the National Safety Net Scheme.

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Audience LHD Chief Executives;Pharmacy Staff;Pharmacy Staff;Medical Administrators;Finance;All Staff of NSW Health

Pharmaceutical and Safety Net Arrangements for Outpatients and Patients on Discharge

POLICY STATEMENT

NSW Health is committed to ensuring equitable access to pharmaceutical and safety net arrangements for outpatients and patients on discharge across the state.

SUMMARY OF POLICY REQUIREMENTS

NSW public hospital prescribers must adhere to standardised arrangements for the supply and co-payment charge of pharmaceuticals to outpatients and patients on discharge to provide a consistent experience across the state.

NSW public hospital prescribers must also adhere to standardised procedures to provide safety net arrangements. These safety net arrangements financially support patients and their families when large numbers of pharmaceuticals are required in a calendar year.

NSW public hospital prescribers must accurately record prescription information in line with Australian Government requirements, and issue entitlement cards to eligible patients.

NSW public hospital prescribers must read this Policy Directive in conjunction with the annually updated NSW Health Information Bulletin *Pharmaceutical Charges for Hospital Outpatients and Safety Net Thresholds* ([IB2022_050](#)). This Information Bulletin outlines outpatient pharmaceutical charges for the calendar year and relevant safety net arrangements and can be found on the [NSW Health Policy Distribution System](#).

REVISION HISTORY

Version	Approved By	Amendment Notes
PD2023_041 November-2023	Deputy Secretary, Health System Strategy and Patient Experience	Revises content to remove ambiguity and update references. Revises sections 2, 3, 4, and 5 to reflect the inclusion of Opioid Treatment Program (OTP) medicines in the Section 100 (s100) Pharmaceutical Benefits Scheme (PBS) Community Access schedule.
PD2022_017 June-2022	Deputy Secretary, Health System Strategy and Planning	Revises template and content to remove ambiguity. This is to clarify the applicability of the policy to all medications provided to outpatients and patients on discharge. Requirements for subcutaneous immunoglobulins added in consultation with the Office of the Chief Health Officer.
PD2012_068 December-2012	Deputy Director, General Strategy and Resources	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.
PD2012_025 May- 2012	Deputy Director, General Strategy and Resources	Replacing Clauses 5,6 and 7 in Attachment 1, dealing with maximum supply of various pharmaceuticals. This is to better reflect or work with PBS quantities for s100 drugs.
PD2011_079 December-2011	Deputy Director, General Strategy and Resources	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.
PD2009_084 December-2009	Deputy Director, General Strategic Development	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.
PD2009_007 January-2009	Director, General	Provided fees for 2009

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1. BACKGROUND

1.1. About this document

This Policy Directive outlines the mandatory procedures NSW public hospital prescribers must adhere to when supplying outpatients and patients on discharge with pharmaceuticals in NSW public hospitals. It outlines the charges that apply to these prescriptions and the safety net arrangements available for eligible patients.

This Policy Directive is to be read in conjunction with the latest NSW Health Information Bulletin *Pharmaceutical Charges for Hospital Outpatients and Safety Net Thresholds* ([IB2022_050](#)) which details charges and safety net thresholds for each calendar year.

This Policy Directive applies to all pharmaceuticals prescribed to outpatients and patients on discharge, irrespective of the type of drug, the funding source, or total cost. It is not limited to medicines listed on the Pharmaceutical Benefits Scheme (PBS).

This Policy Directive does not cover prescriptions for admitted patients within NSW public hospitals, please refer to NSW Health Policy Directive *Medication Handling* ([PD2022_032](#)).

This Policy Directive does not apply to Medicare Ineligible patients, please refer to NSW Health Policy Directive *Medicare Ineligible and Reciprocal Health Agreement* ([PD2021_021](#)).

1.2. Key definitions

Co-payment	The amount a patient pays towards the cost of their medicine.
Pharmaceutical Benefits Scheme (PBS)	The Pharmaceutical Benefits Scheme (PBS) is an Australian Government program governed by the <i>National Health Act 1953</i> (Commonwealth). Through the PBS, the Australian Government subsidises the cost of medicine for most medical conditions. NSW public hospitals cannot use the PBS for the circumstances described in Section 2.
Section 100 Highly Specialised Drugs (s100 HSD)	<p>The Section 100 Highly Specialised Drugs (s100 HSD) Program is an Australian Government program providing access to specialised PBS medicines for the treatment of chronic conditions which, because of their clinical use and other special features, have restrictions on where they can be prescribed and supplied.</p> <p>In most cases, medical practitioners are required to undertake specific training or be affiliated with a specialised hospital unit to prescribe these medicines.</p>
Safety Net Scheme	The Safety Net Scheme is an Australian Government program to financially support patients and their families who require a large number of prescription items. When these patients reach a monetary threshold of prescriptions in a calendar year, the

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Safety Net Scheme can be accessed to lower co-payments.

The Safety Net Scheme covers pharmaceuticals dispensed to outpatients and patients on discharge. These can be dispensed by community pharmacists and NSW public hospital pharmacies.

1.3. Legal and legislative framework

- The *National Health Act 1953* (Commonwealth)
- The *Human Services (Medicare) Act 1973* (Commonwealth)
- NSW Health Policy Manual [Patient Matters Manual for Public Health Organisations](#)

2. PHARMACEUTICAL REFORM IN NSW

NSW does not have a Pharmaceutical Reform Agreement with the Australian Government. As a result:

- NSW public hospital prescribers cannot legally provide a Pharmaceutical Benefits Scheme (PBS) prescription to an admitted patient on discharge for dispensing at a community pharmacy, except for [Section 100 Highly Specialised Drugs](#) (s100 HSDs).
- NSW public hospital pharmacies cannot claim PBS reimbursement for dispensing any pharmaceutical to any patient, except for s100 HSDs.
- NSW public hospital pharmacies cannot claim PBS reimbursement for dispensing pharmaceuticals subsidised under the following programs:
 - Efficient Funding of Chemotherapy (EFC) program
 - Human Growth Hormone program
 - Botulinum Toxin program.

Any questions about the Pharmaceutical Reform in NSW are to be directed to the Government Relations Branch, NSW Ministry of Health at MoH-GovernmentRelations@health.nsw.gov.au.

3. SUPPLY OF PHARMACEUTICALS

3.1. Length of supply

3.1.1. For outpatients

Pharmaceuticals classified as Section 100 Highly Specialised Drugs (s100 HSD) and which are not Opioid Treatment Program (OTP) medicines can be dispensed up to the Pharmaceutical Benefits Scheme (PBS) authorised maximum quantity and number of repeats (pending stock availability and product stability) if:

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- the patient is 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 can afford outpatient co-payments for the prescribed items and quantities, and
- the prescriber considers the patient clinically appropriate to receive up to the prescribed quantity at a time.

Pharmaceuticals classified as s100 HSD and which are OTP medicines must be dispensed and supplied in accordance with the NSW Health Guideline *NSW Clinical Guidelines: Treatment of Opioid Dependence* ([GL2018_019](#)).

Pharmaceuticals not classified as s100 HSDs must not be supplied for more than 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) if:

- the patient is 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 can afford the multiple outpatient co-payments for four months' supply, and
- the prescriber considers the patient clinically appropriate to receive up to four months' supply at one time.

For pharmaceuticals with mandatory supply restrictions (such as thalidomide, lenalidomide, and clozapine), extended supply beyond the mandated program requirements is not permitted.

3.1.2. For admitted patients on discharge

Where a prescription for s100 HSD is provided, NSW public hospital prescribers may supply up to the PBS authorised quantity where clinically appropriate.

For pharmaceuticals not classified as s100 HSDs, NSW public hospital prescribers must not provide patients with more than seven days' supply of medicines on discharge, unless prior authority has been obtained from either the Chief Executive, Medical Administrator, or Medical Administrator's nominee.

For a detailed list of exceptions to this seven-day supply rule, please refer to NSW Health Policy Directive *Medication Handling* ([PD2022_032](#)).

No repeats may be authorised on a discharge prescription.

3.2. Eligibility for supply (Non-Hospital patients)

Public hospital pharmacies must not provide pharmaceuticals to non-hospital patients, except when:

- supplied for the treatment of infectious diseases (see Section 4), or
- special forms of drugs are not available from another source, or

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- an exemption has been issued by NSW Health.

Such supplies may only be dispensed with the approval of either the Chief Executive, Medical Administrator, or Medical Administrator's nominee.

Medical practitioners who prescribe and administer medications in their private rooms to non-hospital patients for the purpose of infectious disease control (see Section 4) must submit a signed order to the pharmacy of a hospital for replacement of the medication free of charge.

The medical practitioner must establish a relationship with a hospital pharmacy for this purpose.

4. CHARGES FOR PHARMACEUTICALS

Outpatients and admitted patients on discharge must not be charged a brand premium for any pharmaceuticals supplied to them by the hospital.

Patients must not be charged for pharmaceuticals associated with inpatient and same-day care, irrespective of whether they are public or private patients.

No charge is to be raised for small quantities of medication (such as starter packs) issued to hospital emergency department patients by a medical officer.

Pharmaceuticals classified as s100 HSDs

A co-payment will be charged for each medicine dispensed. If two strengths or forms of the same medicine are dispensed, a co-payment will be charged for each strength or form. If more than one supply is dispensed at a time, then one co-payment will be charged for each supply.

NSW Health pays the co-payment for some Section 100 Highly Specialised Drugs (s100 HSDs) for eligible patients. For more information, please refer to the NSW Health Information Bulletin *NSW Section 100 Co-payment Program* ([IB2023_025](#)).

From 1 July 2023, [Opioid Treatment Program \(OTP\)](#) medicines became part of the s100 Pharmaceutical Benefits Scheme (PBS) Community Access schedule. Co-payment charges will be waived for OTP patients who receive their dose from public services. This is administered separately to the NSW Section 100 Co-payment Program.

Pharmaceuticals not classified as s100 HSDs (Outpatients)

Eligible outpatients (other than chemotherapy patients and patients receiving subcutaneous immunoglobulin) will pay the designated co-payment for a one-month supply for each item dispensed, even if two or more items are different strengths or forms of the same medication.

Pharmaceuticals not classified as s100 HSDs (Admitted patients on discharge)

A co-payment will not be charged for medication supplied to an inpatient during their hospital stay or on discharge (please refer to NSW Health Policy Directive *Medical Handling* [[PD2022_032](#)]).

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Chemotherapy

Patients must only be charged one co-payment for each original prescription dispensed for chemotherapy medications for injection/ infusion. No co-payment is payable for repeat prescriptions.

NSW Health pays the co-payment for s100 injectable and infusible chemotherapy medications for eligible patients. For more information, please refer to the NSW Health Information Bulletin *NSW Section 100 Co-payment Program* ([IB2023_025](#)).

For all other medications prescribed for chemotherapy patients, standard co-payment arrangements apply.

Subcutaneous immunoglobulin

NSW public hospital pharmacies can charge co-payments for subcutaneous immunoglobulin. Patients must be charged a single co-payment, regardless of the duration of supply and the number of different vial sizes and doses prescribed.

The co-payment may be waived by the Chief Executive by a local directive, or on a case-by-case basis.

Further requirements for subcutaneous immunoglobulin hospital programs are detailed in the NSW Health Guideline *Establishing a Subcutaneous Immunoglobulin Hospital Program* ([GL2020_024](#)).

Official clinical trials

Where pharmaceuticals are supplied to a public or private outpatient for the purpose of an official clinical trial, no co-payments are payable.

Prior approval to supply the pharmaceutical for the purpose of an official clinical trial must be obtained from the Chief Executive, the Medical Administrator, or the Medical Administrator's nominee.

Infectious diseases control

To enhance patient compliance and control of certain infectious diseases, no charges are to be raised for the supply of infection control treatments.

These will vary depending on emerging threats to public health and the specific directions of the Chief Health Officer, Health Protection NSW, or local public health unit directors.

5. SAFETY NET ARRANGEMENT PROCEDURES

The [Safety Net Scheme](#) financially supports patients and families requiring large numbers of prescription items. When eligible patients reach a monetary threshold of prescriptions in a calendar year, the Safety Net Scheme can be accessed to lower co-payments.

5.1. Prescription record forms

To access the Safety Net Scheme, patients must record eligible prescription purchases and expenditure in prescription record forms. The prescription record forms used by community

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pharmacies and hospital outpatient pharmacies are similar but not identical. To count towards the Safety Net Scheme, patients must maintain a prescription record form for each.

NSW public hospital prescribers must meet Australian Government requirements when recording supplied prescriptions on a prescription record form.

Required information includes:

- date of supply
- hospital approval number (hospital Safety Net number)
- medicine identification (strength and quantity not required)
- patient co-payment.

Further advice for accurately recording prescription information is outlined on the [Pharmaceutical Benefits Scheme](#) website.

Failure to accurately record a prescription on a patient's prescription record form may result in the amount not being recognised by Medicare Australia for the issue of a Pharmaceutical Benefits Scheme Safety Net Concession or Entitlement card.

5.2. Pharmaceuticals covered by the Safety Net Scheme

The Safety Net Scheme covers pharmaceuticals supplied to patients in the following settings under the following conditions:

- Community pharmacies – Pharmaceutical Benefits Scheme (PBS) listed medicines
- NSW public hospital outpatient pharmacies – PBS and non-PBS listed medicines prescribed by a hospital practitioner which have been approved by a hospital therapeutics committee.

Co-payments paid by NSW Health as part of the NSW Section 100 Co-payment Program will contribute towards the Safety Net Scheme.

Co-payments waived for the supply of Opioid Treatment Program (OTP) medicines to patients in the public system will not contribute towards the Safety Net Scheme.

5.3. Procedures for issue of entitlements

Eligible patients who reach the expenditure threshold of the Safety Net Scheme in a calendar year can be issued a:

- **PBS Safety Net Entitlement Card** for concession patients having reached the annual safety net threshold, conveying eligibility for free benefits, or
- **PBS Safety Net Concession Card** for general patients having reached the annual safety net threshold, conveying eligibility for concessional benefits.

Completed prescription record forms may be presented to a NSW public hospital or community pharmacy for the patient and their family to access either card.

Once issued, the card can be used in both community pharmacies and NSW public hospital outpatient pharmacies.

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Distribution of Safety Net Stationery

Supplies of Safety Net Entitlement and Concession Cards and other stationery, such as prescription records forms, can be obtained by contacting Services Australia on 132 290 from anywhere in Australia, or [online](#).