

Efficient PBS Wholesaler Arrangements

What will the measure do?

From 1 July 2015 the measure will continue to support the Pharmaceutical Benefits Scheme (PBS) supply chain, ensuring people can continue to receive needed PBS medicines in a timely and efficient manner.

This measure seeks to:

- continue the Community Service Obligation (CSO) Funding Pool, which provides funding to wholesalers for the timely distribution of medicines across over 5,400 community pharmacies in Australia; and
- freeze the indexation for the CSO, but couple this with improvements to the administration of the CSO through the simplification of reporting, regulation and compliance processes, such as:
 - relaxing the reporting requirements for breakages and other specific items; and
 - recognising that high-volume PBS items, which are more regularly ordered, can be ordered less often and more efficiently with the timing of deliveries reflecting a 72 hour commitment for supply to pharmacies.

Arrangements for the CSO, as well as wholesaler remuneration, will be reviewed as part of a comprehensive review of pharmacy remuneration and regulation (refer to the fact sheet *A Comprehensive Review of Pharmacy Remuneration and Regulation*). Regulatory compliance will be reduced by more appropriately targeting key quality and service delivery arrangements.

What is the impact?

This measure will not impact on Australians being able to have continued timely access to essential medicines, regardless of their location.

Community pharmacies will continue to receive products through the CSO in a timely manner, and given high-volume PBS products are the subject of more regular and known ordering patterns by pharmacy it is not expected there would be any impact from relaxing supply chain arrangements for high-volume PBS products.