Executive summary

E1 BACKGROUND TO THE REFORMS

For a number of years there has been criticism of how medicines are provided to patients that are moving between a hospital and community setting. Prior to the 1990s it was not uncommon for a patient discharged after an acute episode to receive up to a month's supply of medications, enough to support the patient until the next review by their GP or outpatient clinic, or to complete the course of treatment.

Since the early 1990s there has been increasing cost pressures on public hospitals. One method public hospitals used to reduce their costs was to restrict the level of pharmaceutical supplies provided to discharged patients, often to only two or three days of treatment. Patients would then need to see their GP to obtain additional prescriptions to cover their needs, often when it was not the best time personally for a follow-up visit.

The effect of this change in dispensing approach was to 'cost shift' pharmaceutical supplies from State and Territory public hospitals to the Australian Government.

Concurrent with these changes was a growth in the usage and cost of expensive cytotoxic drugs used for chemotherapy. Under the then Medicare Agreements (and the current Australian Health Care Agreements (AHCA)) the States and Territories had responsibility for inpatient hospital drug costs, including admitted day patients receiving chemotherapy. Cost shifting around these drugs also occurred.

The Pharmaceutical Reforms advanced by the AHCA seeks to remove many of the anomalies that developed from the program rules and administrative processes outlined above. The Australian and Victorian Government Health Ministers agreed to a variation to the AHCA in October 2001 enabling the introduction of the Reforms. The key objectives of the Reforms are to:

- "provide patients with up to one month's supply of medications on discharge and when attending a public hospital as an outpatient, rather than the two to seven day's supply….;
- provide continuity of pharmaceutical care by allowing public hospitals to access the same pharmaceutical scheme as operates in the community, the PBS, thereby decreasing confusion and possible over-consumption by patients;
- restore equity between public and private hospital patients and decrease the financial burden on hospital pharmacies by allowing them access to a group of injectable and single dose chemotherapy drugs for use by day-admitted patients and outpatients;
- [support] better communication with both patients and primary health care providers through the implementation of the Australian Pharmaceutical Advisory Council guidelines on the continuum of pharmaceutical care[1];

[1] Australian Pharmaceutical Advisory Council, *National guidelines to achieve the continuum of quality use of medicines between hospital and community*, January 1998.

- allow sufficient time for paperwork to be sent from hospitals and received by primary health care providers before patients present for their first post-hospital visit; and
- reduce boundaries for cost shifting between the Commonwealth and State sectors."[2]

The Reforms are a joint initiative of Victorian Department of Human Services (DHS) and the Australian Government Department of Health and Ageing (DoHA). Both parties jointly funded the evaluation.

E2 SCOPE OF THE EVALUATION

The nature of the evaluation assessment was primarily qualitative, with a strong concentration on stakeholder interviews. The need for this approach was partly in response to:

- the lack of a readily accessible baseline against which to compare the new arrangements; and
- the lack of quantitative data that would enable meaningful cross-site comparisons.

The qualitative approach was also driven by a desire to collect and assess stakeholders' impressions of the Reform impacts.

In undertaking the evaluation, HMA reported to an Evaluation Group Steering Committee that comprised:

- Bill Thomson, Executive Officer, Victorian Drug Usage Advisory Committee;
- Karen Hirth, Hospital Pharmacist, The Alfred Hospital;
- John Primrose, Senior Medical Advisor, Pharmaceutical Access and Quality Branch, DoHA;
- Alicia Segrave, Blood and Pharmaceutical Programs, DHS;
- Michael Furey, Blood and Pharmaceutical Programs, DHS.

Based on an analysis of the objectives for the Reforms and discussions with stakeholders, it was agreed with the Evaluation Group Steering Committee that the project evaluation should focus on the following key areas - impacts of the Reforms on:

- hospital pharmacy operations;
- hospital pharmacy staff;
- hospital doctors;
- general practitioners managing discharged hospital patients; and
- hospital patients who have accessed PBS medicines on discharge, after an outpatient attendance, or through access to cytotoxic chemotherapy whilst being a same-day or non-admitted patient.

The methodology for the evaluation involved five major stages as set out below:

(1) **Detailed project planning (December 2002 to January 2003).** HMA met with the DHS Project Manager and the Evaluation Steering Committee to determine the parameters for the evaluation, including the communication process, the stakeholders to be consulted and the availability of HIC and other data.

[2] DHS, *Pharmaceutical Reforms, Improving the transition from hospital to home*, undated.

(2) **Development of the evaluation framework (February to March 2003).** HMA developed an overview of the key activities associated with the Reforms and then developed a draft evaluation framework and qualitative data collection tools for interviewing key stakeholders. These tools were trialled at one of the study sites and minor refinements incorporated. These tools formed the basis of the subsequent stakeholder face-to-face qualitative data collection.

(3) **Qualitative data collection, Phase 1 (April 2003 to July 2003).** HMA conducted face-to-face interviews with directors of pharmacy, pharmacy staff, and hospital doctors at eight of the hospitals already implementing the Reforms and three comparator sites (two of which subsequently went on to implement the Reforms). Interviews were also conducted with representatives from five General Practice Divisions that expressed an interest in the Reforms.

(4) **Preparation of interim evaluation report (August 2003).** HMA prepared an interim report that summarised the findings from the phase 1 qualitative data collection at a site level as well as broad emerging themes. This document was circulated to DHS and DoHA.

(5) **Survey of Reform impacts on clinical pharmacy (October 2003 to December 2003).** DHS prepared a survey tool in consultation with the Society of Hospital Pharmacists, Victorian Branch to assess the impacts of the Reforms on the conduct of clinical pharmacy. HMA managed the conduct of the survey which was circulated to 24 Victorian public hospitals / health services that had been implementing the Reforms for longer than three months at the time of the survey. These hospitals employed around 430 pharmacists, equivalent to approximately 360 full time equivalent staff. Responses were received from 191 pharmacists, equivalent to a 44% response rate.

(6) **Qualitative data collection, Phase 2 (November 2003 to March 2004).** HMA undertook face-to-face interviews with directors of pharmacy, pharmacy staff, and hospital doctors at one further hospital that had been implementing the Reforms for some time and revisited two of the comparator hospitals that had commenced implementation.

(7) **Telephone survey of patients (November 2003 to March 2004).** HMA obtained hospital ethics committee approval to undertake interviews with patients at four of the study sites. We conducted a total of 51 interviews.

(8) **Final report preparation (March to April 2004).** The overall evaluation findings were collated and key themes and findings described (this document).

E3 KEY FINDINGS

The fieldwork conducted for the evaluation enabled HMA to develop a strong understanding of the changes in work practices generated by the Reforms for hospital pharmacies and the effects on other parts of hospitals and the broader health system. Based on our analysis HMA has made a key finding in relation to each stakeholder group:

Directors of hospital pharmacy (Key Finding 1): **HMA concluded that directors of pharmacies' overall assessment of the Reform impacts ranged from marginally to strongly positive. The majority of study site directors were very supportive of the Reforms.** Directors of pharmacy recognised there were financial benefits to hospitals as well as benefits to patients from improved access to medication, including: access to a broader range of drugs for day chemotherapy patients; and medication for a greater length of time for discharge, emergency and outpatients, thereby reducing the need to visit a GP shortly after their hospital visit. Directors of pharmacy also considered that the Reforms had lead to more judicious supply of medicines because of the greater attention to medication history review, and decisions not to supply prescribed drug where the patient already had access to that drug. Most directors acknowledged that the Reforms had generated additional administrative work for pharmacy staff, but several commented that this has been offset by the allocation of additional FTE.

Hospital pharmacists (Key finding 2): **HMA concluded that hospital pharmacists had mixed views about the impacts of the Reforms. Negative concerns about the impacts of the Reforms on the delivery of clinical pharmacy services were partially offset for many by the positive impact of the Reforms on improved patient care.** HMA found that the range of views of hospital pharmacists about the Reforms were more diverse than those of directors of pharmacy. Hospital pharmacists were generally critical of the additional administrative processes required to conform with PBS rules. Many considered that this encroached on their capacity to undertake cognitive clinical pharmacy activities to the level they felt was appropriate. However, many also acknowledged that the Reforms had lead to a greater emphasis on coordination and communication with other stakeholders, including hospital doctors, GPs and patients.

Hospital doctors (Key finding 3): **HMA concluded that hospital doctors were generally supportive of the Reforms. This level of support was much greater amongst oncologists.** HMA found that junior doctors had some reservations about the training associated with implementation of the Reforms. There were also concerns amongst junior doctors, registars and consultants with the administrative processes required for PBS compliance, particularly around seeking authorisation and specifying correct PBS drug quantities on hospitals prescriptions. However, most hospital doctors were supportive primarily because of improved clinical access to drugs, particularly chemotherapy, and greater ease of access by patients. There was acknowledgement of other benefits such as potential for improved uniformity in prescribing practices.

GPs (Key finding 4): **HMA concluded that GPs' awareness of the Reforms was limited at this stage. The relatively small numbers of GPs that expressed an interest in commenting on the Reforms were generally supportive of the principles underlying the Reforms. This view may need to re-assessed as knowledge of the changed arrangements becomes more prevalent amongst the GP community.** GPs were generally supportive of the Reform objectives from the perspective of patients; the Reforms enable access to a greater supply of medicine. However, GPs did express concern that discharged patients could wait too long before scheduling a visit to see their GP. They considered it important in these circumstances for the discharging unit from a hospital to make it clear to the patient the circumstances in which they should visit their GP prior to the end of their medication supply. The GPs interviewed by HMA were largely unconcerned about the impact of the Reforms from a practice management and prescribing perspective. This attitude appeared to be driven

by limited exposure to the Reforms and a view that discharged hospital patients only made up a small proportion of their total workload.

Patients (Key finding 5): **The findings of the telephone survey suggest there was a wide variation in the level of patient's knowledge of the Reforms. There is a continuing need to publicise the changes so that the opportunity provided by the Reforms to promote consumers' quality use of medicine is optimised. There was some evidence of dissatisfaction with co-payment requirements from the telephone survey but this was not the case for patients already benefiting from the PBS safety net. Other patient impressions of the Reforms were generally positive.**

These key findings are supported by detailed findings that are presented in the body of this report.

Based on these findings HMA concluded that there are overall benefits to be gained from the continued rollout of the Reforms to other Victorian public hospitals. This should be accompanied by continuing efforts to:

- streamline the administrative rules that apply to the operation of the PBS in hospitals;
- fully implement the APAC guidelines, especially improved communication of information on patients' discharge medication to GPs;
- continued enhancement of the HIC's training of junior doctors on the use of PBS in hospitals;
- continue to promote hospital doctor awareness of PBS administrative requirements in order to reduce the administrative burden of hospital pharmacists;
- promote GP awareness of the Reforms and ensure they use the APAC guidelines as a tool to leverage access to better information from hospitals on discharge medication; and
- ensure hospital patients are aware of the Reforms and their personal responsibility to effectively communicate with hospital staff about their medication usage to enhance quality use of medicines.