

27 July 2009

Mr David Kalisch  
Commissioner  
Hospital Performance Study  
Productivity Commission  
LB2 Collins Street  
MELBOURNE VIC 8003

Dear Mr Kalisch,

On behalf of the Pharmaceutical Society of Australia (PSA), I have attached some brief comments below to assist the Productivity Commission's Study into the Performance of Public and Private Hospital Systems. PSA's comments address the Study's Term of Reference (d) "other relevant performance indicators, including the ability of such indicators to inform comparisons of hospital performance and efficiency".<sup>1</sup>

PSA is the peak national professional pharmacy organisation representing some 75 per cent of pharmacists across Australia. PSA's core functions are: supporting pharmacists' commitment to high standards of patient care; providing continuing professional development (CPD), education and practice support; and representing their role as frontline health professionals.

I trust these comments are useful.

Please contact PSA's Director, Policy ([paul.mackey@psa.org.au](mailto:paul.mackey@psa.org.au)) if you have any questions or require additional information.

Yours sincerely,

---

Bryan Stevens  
Chief Executive Officer

---

<sup>1</sup> Productivity Commission. Performance of Public and Private Hospital Systems. Issues paper. Melbourne. Productivity Commission, 2009: iv.



# Pharmaceutical Society of Australia

## SUBMISSION BY THE PHARMACEUTICAL SOCIETY OF AUSTRALIA TO THE PRODUCTIVITY COMMISSION'S STUDY INTO THE PERFORMANCE OF PUBLIC AND PRIVATE HOSPITAL SYSTEMS

### BACKGROUND

1. Pharmacists are the most accessible and trusted frontline health care professionals.<sup>1</sup> While their primary expertise revolves around medication management, pharmacists also have a sound grounding in broader health and scientific issues. Therefore, PSA believes that there is considerable scope to expand the capacity of pharmacists to assist people to better manage their health, in particular by a more consistent integration of pharmacists into the health care team. The principles of Quality Use of Medicines<sup>2</sup> underpin all aspects of pharmacy practice and assessing and addressing the health care needs of patients are core competencies of pharmacists.<sup>3</sup>

### MEDICATION ERRORS

2. It is estimated that over 1.5 million people suffer an adverse event from medicines each year in Australia,<sup>4</sup> resulting in some 180,000 hospital admissions, of which 30%-50% are preventable.<sup>5</sup> The cost of these medication-related hospital admissions has been estimated at some \$380 million annually.<sup>6</sup> The Productivity Commission's Issues paper notes that many adverse events which may occur in a hospital, such as medication errors, "typically involve subsequent additional hospital resources to correct for the effects of the event."<sup>7</sup>

### ROLE OF CLINICAL PHARMACY

3. The recent Final Report of the Special Commission of Inquiry: Acute Care Services in NSW Hospitals (Garling report) noted that "clinical pharmacy review is widely regarded as an important safety precaution to reduce medication incidents." Despite this, the Commission also heard evidence that "in some circumstances, NSW patients do not receive any service whatsoever from clinical pharmacists."<sup>8</sup>

4. The Garling inquiry received submissions indicating that the level of clinical pharmacist staffing in NSW was under the level recommended in NSW and in other

---

<sup>1</sup> Roy Morgan. Images of professions. [survey]. April 2008.

<sup>2</sup> Australian Government Department of Health and Ageing. The national strategy for quality use of medicines: Executive summary. Canberra: Commonwealth of Australia, 2002

<sup>3</sup> Pharmaceutical Society of Australia. Competency standards for pharmacists in Australia. Canberra: PSA, 2003.

<sup>4</sup> Roughead EE and Lexchin J. Adverse drug events: counting is not enough, action is needed. Medical Journal of Australia 2006; 184(7):315-6.

<sup>5</sup> National Prescribing Service. Medication safety in Australia: status at November 2007. Discussion paper. Sydney. NPS. 2008.

<sup>6</sup> Roughead and Bedford. 2008 *Op cit*.

<sup>7</sup> Productivity Commission. Performance of Public and Private Hospital Systems: Issues paper. Melbourne, Productivity Commission, June 2009: 20.

<sup>8</sup> Special Commission of Inquiry. Acute Care Services in Public Hospitals. Final report. v.1 Sydney, the Commission: 305

States.<sup>9</sup> However, evidence quoted in the report indicates that services provided by a clinical pharmacist such as taking a patient's medication history or carrying out a review of a patient's medication chart can improve patient safety, assist other practitioners and lead to savings for hospitals.<sup>10</sup> The NSW Government has since moved to recruit additional pharmacists for its public hospitals.

5. In its response to the Garling report, the NSW Government noted that "medication errors are a significant reason for admission to hospital and are a factor in the deteriorating condition of many patients. The highest skilled member of the health team in this area is the clinical pharmacist and the Action Plan will see these staff better able to support review of both patient care and prescribing."<sup>11</sup> The NSW Government has appointed a pharmacist to the six-member Independent Panel that will monitor progress under the Action Plan.

6 Recent Australian research indicates that clinical pharmacy services are not only cost effective, they can also lead to cost savings for hospitals. The study concluded that "for every dollar spent on a pharmacist to initiate changes in drug therapy or management, approximately \$23 was saved on the five areas quantified in this study."<sup>12</sup> The savings in the study were comparable with those found in smaller studies. This study was quoted in some detail in the Garling report.<sup>13</sup>

7. The Garling report has drawn attention to the ways in which adequately funded clinical pharmacy services can improve patient safety and save costs for the hospital (and broader health) system. The former Australian Council for Safety and Quality in Health Care reported in 2002 that the provision of clinical pharmacy services is one of a number of systems solutions that are known to be effective in improving medication safety. However six years later, its successor the Australian Commission on Safety and Quality in Health Care, cautions that "while implementation of some of these systems is occurring at a jurisdictional level, there is still a requirement for national leadership to support widespread implementation of these initiatives and the development of systems to monitor implementation and inform policy development."<sup>14</sup>

## SUMMARY

8. Given the foregoing discussion, PSA is concerned that there may be a lack of consistency across jurisdictions and between the public and private hospital sectors in the ways in which clinical pharmacy services are funded and provided. This is likely to lead both to disparity in patient access to these important services (inequity) and incur unnecessary additional costs for the health system (inefficiency).

---

<sup>9</sup> *Ibid.*: 306.

<sup>10</sup> *Ibid.*: 304.

<sup>11</sup> NSW Department of Health. *Caring together—the Action Plan for NSW*. Sydney, NSW Health, 2009: 9.

<sup>12</sup> Dooley, M *et al.* "A prospective multicentre study of pharmacist initiated changes to drug therapy and patient management in acute care government funded hospitals" 2003 57(4) *Br J Clin Pharmacol*: 519.

<sup>13</sup> Special Commission of Inquiry. *Op cit*: 304-305.

<sup>14</sup> Australian Commission on Safety and Quality in Health Care. *Windows into Safety and Quality in Health Care 2008*. Sydney, ACSQHC, 2008: 34.

9. **PSA proposes** that the Commission include an assessment of the provision of clinical pharmacy services as part of its examination of the performance of Australia's hospital system.

Prepared by:  
Policy Unit  
PSA National Office

27 July 2009