



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Coalition **Proposal No:** C1435
Date Referred: 19/02/2023 **Date Published:** 20/3/2023
Proposal Title: Expanded Scope of Practice for Pharmacists
Cluster: Health

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation					-
Less: Offsets					-
Revenue					-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets					
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	-	-	-	-
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	-	-	-
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Notes and costing assumptions:

The policy proposes to expand the scope of practice of pharmacists through:

- expanding the pharmacist prescribing trial for the treatment of UTIs to the renewal of scripts for the oral contraceptive pill (OCP);
- covering patient consultation fees for the duration of the 12-month UTI and OCP trials, at a rate of \$20 per consultation; and
- empowering pharmacists to issue medical certificates to patients they consult for conditions subject to the trial.

The estimated total cost for expansion of the existing trial is \$5.2 million. The policy specifies that this cost be fully absorbed by NSW Health. The PBO considers this is feasible, resulting in nil impact to the Budget results.

The policy would also continue the existing requirement that community pharmacies be owned by pharmacists. This aspect has a nil impact to the Budget.

Notes and costing assumptions continued:

Key assumptions

Renewal of Oral Contraceptive Pill (OCP) Prescription Trial

The policy proposes a start date of July 2023 for the OCP trial. The PBO assumes that the bulk of the OCP trial costs will be incurred during 2023-24, with some residual fees to pharmacies being settled in the 2024-25.

The cost of the OCP trial is \$4.79 million and comprises:

- a \$3 million grant to a University of Newcastle-led consortium to expand the pharmacist trial to include OCP script renewal:
 - This grant covers \$200,000 for co-design of the clinical pathway (including specific Aboriginal consultation); \$1,845,000 for governance, staffing costs and consultancy; \$435,000 for education development and delivery, pharmacist support, medical record tailoring, travel costs and infrastructure; \$520,000 for data collection and evaluation, and health economics review.
- \$1.79 million for OCP trial activity includes:
 - OCP pharmacist consultation fee reimbursements of \$1,687,000. The fee subsidy to be paid to pharmacists is \$20 per consultation.
 - Extra administration costs from expanding the trial of \$102,000.

NSW Health notes the OCP 12-month trial is demand driven and this costing is based on estimates of patient uptake and resulting numbers of pharmacist consultations:

- An estimate of 84,334 pharmacy visits is based on population data, information from the Australian Longitudinal Women's Health Survey regarding OCP use, and an assumption that 50% of women eligible for the service will choose a pharmacist consultation each year.
- There is a risk that uptake could be less or more than the levels forecast for this costing. The PBO has not included in the costing any contingencies for increased OCP patient uptake beyond the estimate.

The PBO further notes that:

- this costing excludes any savings or additional costs from changes in levels of patient presentations at NSW public hospitals resulting from the trial. NSW Health has indicated it does not anticipate any financial savings but will monitor any related Emergency Department attendances.
- This costing has been prepared on the basis that funding will cease at the conclusion of the 12-month trials in 2023-24. New funding sources would be required for the program to continue beyond June 2024.

The consortium led by the University of Newcastle also includes Charles Sturt University, the University of New England, the University of Technology Sydney, Macquarie University, the George Institute of Global Health and the Hunter Medical Research Institute.

Treatment of Urinary Tract Infections (UTI) Trial

The OCP trial builds on an initial 12-month UTI trial, which has a start date of April 2023. NSW Health is working towards this date and the PBO assumes it is achievable.

A grant has already been awarded by NSW Health to the University of Newcastle-led consortium to establish and conduct the UTI trial. For this costing, the PBO includes remaining UTI trial costs of \$440,000 and assumes:

Notes and costing assumptions continued:

- \$20 cost per UTI test, plus a further fixed cost of \$200,000 to administer the trial.
- approximately 12,000 participants are tested, based on a similar participant criteria and per capita take-up rate as a UTI trial in Queensland conducted over 18 months during 2020 and 2021.

The PBO notes there is some uncertainty in the estimates of the number of trial participants. Although the Queensland trial was longer, it was conducted during a period that included Covid-19 lockdowns, which may have limited participant demand. The NSW trial, unlike the Queensland trial, offers a free consultation to patients and this may result in a higher number of consultations per capita. The PBO considers that any resulting financial risk to NSW Health's budget would be minimal at the level of Health's subsidy at \$20 per test, assuming the trial period and subsidy conclude as scheduled after 12 months.

The costing only covers the proposed 12-month duration of the trial. It excludes the cost to participants of any subsequent treatment or medications due to their individual UTI test results.

The costing excludes the estimated financial impact to the State Budget resulting from any overall savings, or additional costs associated with changes in levels of patient presentation at NSW public hospitals for UTI treatment, as a result of the trial.

Administration costs

Administration costs are sensitive to the number of pharmacies participating and the frequency of reimbursement. NSW Health has advised that it has assumed 800 pharmacies will take part in the trial and billing cycles will take place monthly.

The UTI and OCP trials will be administered jointly, and NSW Health has estimated that total administration costs will be \$302,000.