



PSNZ submission to Pharmacy Councils proposed increase in APC fee for 2022-2023 November 2021

The Pharmaceutical Society of New Zealand welcomes the opportunity to respond to the Pharmacy Councils consultation. The Society has some thoughts, which the Pharmacy Council Executive may wish to consider when reviewing the feedback.

We note that the consultation document was released on Wednesday 3 November, which referenced fee increases, the Pharmacy Council's financial position and future development initiatives. However, the 2021 annual report containing the detailed information was not made available until 22 November, which was 6 days before the close of the consultation. In the future please can the Pharmacy Council provide all information in a timely fashion for their consultations. This will enable a transparent and robust opportunity to provide feedback.

The Pharmacy Council define their primary role "is to protect the health, safety and wellbeing of the public by ensuring pharmacists are competent and fit to practise".

The Health Practitioners Competence Assurance Act 2003 (HPCAA) interprets "practise a profession or practise" as "to perform services that fall within the description of a health profession".

[Section 3](#) of the HPCAA describes the purposes of the legislation which includes scopes of practice, systems to ensure health practitioners work within their scope of practice and restrict activities to protect the public.

[Section 15](#) of the HPCAA describes the requirements for registration of practitioners, which includes:

- Fitness for registration in accordance with Section 16
- Appropriate qualifications
- Competent to practice within the scope.

[Section 16](#) of the HPCAA states the only process for a Regulatory Authority to decide if an applicant may be registered as a health practitioner of a health profession, and therefore fit to practice is under the following orders:

- Effective Communication (Section 16(a))
- Communicate and comprehend English (Section 16(b))
- Inappropriate convictions (Section 16(c))
- Unable to perform due to a mental or physical condition (Section 16(d))
- Subject to a professional disciplinary, tribunal or investigation (Section 16(e)(f)(g))
- Will endanger the health or safety of members of the public (Section 16(h))

As a result, the term "fitness to practise" referenced in Pharmacy Councils proposals does not relate or allow the undertaking of external policy activities that impact on professional practice and quality improvement work, under HPCAA legislation. These are both professional body responsibilities. Also defining pharmacist roles of responsibility is under the mandate of the Medsafe Regulators.

The inability to occupy and resulting rental costs from 80 The Terrace should come completely from the Pharmacy Council reserves and not recovered from the APC fees paid by Pharmacists. We are also struggling to understand the Pharmacy Councils proposed "cost recovery model" from Pharmacists APC fees whilst the Pharmacy Council has \$2M in reserves.

Based on the Councils proposed approach, the fee increases therefore does not align with Section 3.13 (General Principle of cost recovery) of the [Office of the Auditor-General document](#) for setting and administering fees, which states "any legal authority to charge a fee or levy is implicitly capped at the cost of producing the goods or providing the services". There is also misalignment with [Part B: Expectations for regulatory stewardship by government agencies](#) which states "pay particular attention to requirements that appear unnecessary, duplicative, ineffective or excessively costly".

[Section 118](#) of the Health Practitioners Competence Assurance Act 2003 (HPCAA) states the function of authorities. The Society are of the view that the Pharmacy Councils proposal to focus on Clinical Governance does not align with the legislation or the Council's suite of competence standards. This misalignment against the legislation also applies to the Pharmacy Council proposed work plan to focus on quality improvement related to pharmacists in their employment.

The Pharmacy Council state that their two key strategic objectives are to:

- Minimise the risk of harm to public from pharmacist practice, and,
- Maximise pharmacist competence and fitness to practice

The strategic objective to "maximise pharmacists competence and fitness to practice" is a false objective. Pharmacists are either competent and fit to practice or not. It is not possible to maximise someone's competence.

The Pharmacy Council reference WAI2575 in their requirements for change. The Society would support this approach. However, it would be useful to understand why the Deloitte reference to disruptive technologies has been included as a landmark report. The Deloitte [2021 Global Health Care Look](#) report does not contain issues that are directly related to the Pharmacy Councils responsibilities under the HPCAA. If they are considering these "top issues" as a priority, then we would suggest approaching the Pharmaceutical Society to assist with this work.

Please can the Pharmacy Council explain how the health environment is uncertain and ambiguous, especially with the Pae Ora (Health Futures) Bill and potential Therapeutic Products Bill coming online? These enablers will provide great assurity, reduce duplication and also overall system costs. It would also be beneficial for the Pharmacy Council to explain how their perceived uncertainty in the health environment relates to the competence of a pharmacist and registration for their APC.

Refining existing regulatory tools and core operations should also be the Pharmacy Councils "business as usual" and not result in an increase in financial burden for the profession.

The Society would like to see a joint Responsible Authority statement outlining the need for the development of a unified prescriber standard across multi-disciplinary clinicians. However, it is the Society's view that the cost for prescriber standard work should be allocated across all Responsible Authorities involved and the financial burden not incurred by one profession. This may be the case but is not clear from the consultation.

The Pharmacy Council states there are multiple regulatory bodies working in parallel across the pharmacy system. However, we are only aware of Pharmacy Council and Medicines Control. There is also a Memorandum of Understanding in operation between these two organisations to improve information sharing and efficiencies.

The Pharmacy Council also justify their increase in fee from the increasing number of registered pharmacists every year. Based on the Pharmacy Councils figure of 110 pharmacists, the current revenue generated by these pharmacists is approximately \$67.5k, which is hopefully greater than the expensive of granting these pharmacists an APC.

Due to the efficiencies already identified by the Pharmacy Council's Service Improvement, Business Capability Improvement Journey, current revenue received and the sector concerns with the Pharmacy Councils workstreams, the Society does not think there is an appropriate justification or rational for proposed increase in APC fees.

We look forward to the Pharmacy Councils consideration of our feedback.

THE PROFESSIONAL VOICE OF PHARMACY