

# Budget 2023 Must Address Underfunding of Pharmacy Sector



The upcoming budget must take steps to address the underfunding of Ireland's community pharmacy sector, the Irish Pharmacy Union (IPU) has said. An impossible trend has set in, according to the IPU, where pharmacists are having to provide more services to the state and dispense more medicines to patients than ever before, but the payments received from the HSE continue to decline. The situation is now close to a breaking point with the risk of pharmacy services being severely curtailed, which will significantly impact on patient services.

Outlining the importance of supporting community pharmacies, IPU Head of Contract Derek Reilly said, "Pharmacies are part of the fabric of the local communities they serve. Over half the population lives within one km of a pharmacy, with 85% living within five km. As a result, with 1.5 million visits to pharmacies each week, they are the most accessed part of our health service. As we demonstrated during the pandemic this is an invaluable resource and one that must be protected."

Pharmacies are coming under increasing financial pressure according to Mr Reilly. "Nine out of every ten pharmacies are family-owned businesses. They operate on tight margins and share the struggles of any other small business. However, unique to our sector is the importance of state-run schemes to our viability. Pharmacies are paid by the HSE to dispense medicines to medical card patients, and this essential service simply could not exist without the cooperation of pharmacies. However, the payments we receive for providing this service have been declining and are now at an unsustainable rate.

"Since 2009 the number of medicines pharmacies dispense annually, through this PCRS scheme, has dramatically increased. In 2021 there were almost 82m prescription items, an increase of 19.5% in twelve years. However successive cuts in the fees pharmacists can charge, from an average of €6 in 2009 to just €4.74 last year, put pharmacies in a precarious position.

Over that time, we have seen average revenues in pharmacies decrease by 6%, but costs are soaring, powered by an 18.5% increase in staff costs in the last decade.

“We are calling on the government to commit to a new flat dispensing fee of €6.50 per item in Budget 2023. This modest increase, just a 7% increase on the rate paid 12 years ago, would go a long way towards securing the financial future of many pharmacies across the country.

A growing shortage of pharmacists is also having an impact on the sector Mr Reilly stated, who called for government support. “The length of time it is taking to fill pharmacist vacancies in pharmacies is becoming an increasing concern for the sector. We need the government to support greater levels of training at home by funding more third level places for pharmacy students. In the short term the pharmacy regulator the PSI should be adequately resourced to ensure it can rapidly facilitate the registration of non-EU pharmacists to avoid any delays.”

The IPU has also called for negotiations to start on the introduction of a new Community Pharmacy Contract. “The contract which governs the work conducted by pharmacies on behalf of the state is hopelessly out of date. More than a quarter of a century old it no longer reflects the nature of a modern pharmacy. Reform of this contract has been a commitment of successive governments and successive ministers for health. Now, more than two years into the lifetime of this government, we have seen no actions towards a new contract.

Another key demand is for the recruitment of a Chief Pharmaceutical Officer (CPO) as a matter of priority. The appointment of a CPO would ensure a strategic vision for the future of community-based pharmacy care within the Department of Health.

The absence of an Irish CPO makes us an outlier in modern healthcare systems. Those jurisdictions that have created such a position have demonstrated the value it represents. For example, pharmacists in Scotland operate according to a clear national pharmacy strategy which is integrated into the wider health service. Through this simple but effective structure, pharmacists’ specialist knowledge in medicines is utilised to best affect for people’s health and well-being.

The IPU has also recommended a range of new clinical services which it says could be introduced by pharmacies to support the national health service. These include a call for Irish

women to be provided with convenient access to contraception without prescription from a pharmacy as is available to women in the UK, USA, Canada, New Zealand, and other similar countries as well as the development and roll-out of a national Community Pharmacy-based Triage Programme including a Minor Ailment Scheme, use of Emergency Medicines, and Minor Injuries.

Derek Reilly, Head of Contract in the IPU concluded “The government must embrace the tremendous potential of the pharmacy sector. That must include adequate funding and resources to maximise our potential in every conceivable way. Failing to do so, ignoring the challenges and maintaining the status quo, will increase pressures on an already stretched sector. Pharmacies cannot continue to do much more with much less – we need support.”