



MEDIA RELEASE

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NPSA welcomes new operational guidelines for distribution of PBS medicines

The National Pharmaceutical Services Association (NPSA) has today welcomed the new operational guidelines for the Community Service Obligation (CSO) funding pool that underpins government policy for the distribution of Pharmaceutical Benefits Scheme (PBS) medicines.

The updated CSO Deeds, which are unique agreements between individual wholesalers and the Department of Health, outline how strict service levels and reporting standards will be maintained across the PBS supply chain.

NPSA Chairman Mark Hooper said he welcomed the new arrangements because they upheld the intent of National Medicine Policy, while providing certainty for wholesalers, pharmacies and ultimately patients.

“The CSO funding pool supports wholesalers in meeting the high regulatory standards, such as the distribution of all PBS products to all pharmacies – including low-volume and low-value medicines – and the distribution of the full PBS range to rural and remote postcodes, generally within 24 hours,” he said.

Mr Hooper said he was pleased to see the new CSO deeds prohibited new exclusive-direct supply arrangements after 2020, and that some manufacturers were already transitioning away from the model.

“The recent announcement by AstraZeneca to transition away from exclusive-direct arrangements from 1 February 2019 is good news for patients because it means pharmacies can stock medicines from more than one supplier.

“However, we still have some concerns about the impact of existing exclusive-direct arrangements on the sustainability of the CSO model.

“The CSO isn’t about allowing individual companies to gain more control of the market. It’s about securing a supply chain that works in patients’ best interests. That means ensuring all PBS-listed medicines are available to all CSO distributors at equivalent pricing,” Mr Hooper said.

NPSA continues to work with Government and the Department of Health towards ensuring all aspects of patient access to PBS medicines are regulated to consistent, high standards.

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The National Pharmaceutical Services Association represents CSO wholesalers Australian Pharmaceutical Industries, National Pharmacies, Sigma Healthcare and Symbion.

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