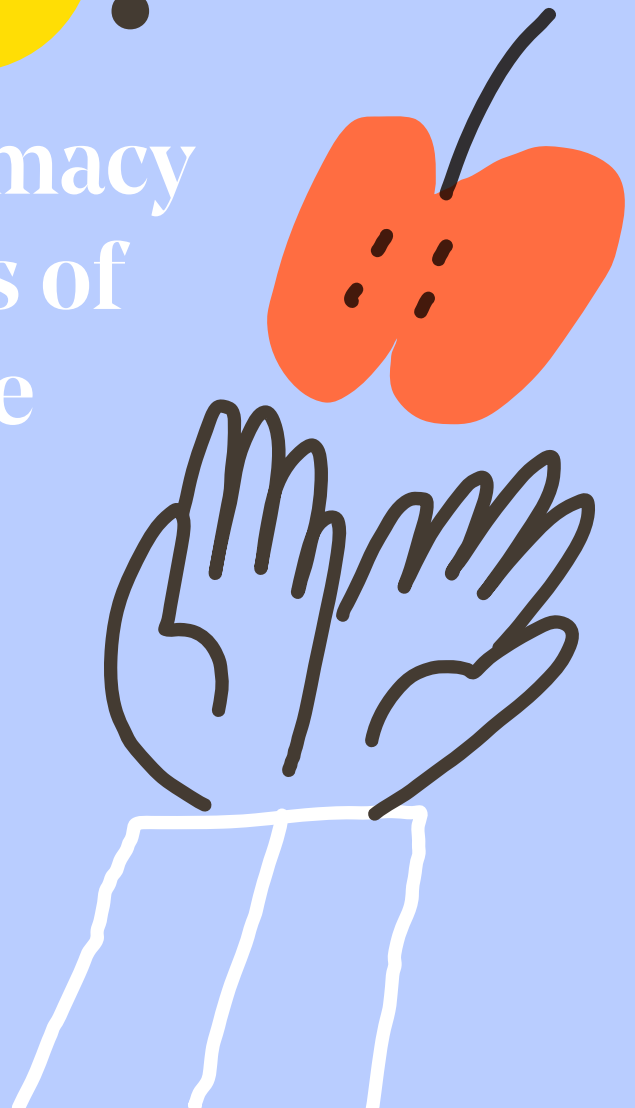


# Better healthcare for **all**:

Community pharmacy  
staff on the effects of  
universal fees-free  
prescriptions



## Title

# Better healthcare for all: Community pharmacy staff on the effects of universal fees-free prescriptions

The publishers wish to thank all the pharmacists and community pharmacy staff who took the time to respond to the survey, with such thoughtfulness and knowledge. Your care for your communities makes this work possible.

Thanks also to Vicky Chan, Karen de Roo, Jane Peng, Gemma Perry, Charlotte Schimanski, & Lanny Wong for coordinating the survey and to all those who shared and promoted the survey.

Established in 2021, the Independent Community Pharmacy Group (ICPG) is an incorporated society representing 115 independent pharmacy owners across Aotearoa New Zealand. Our purpose is to promote, protect and improve owner-operated community pharmacies in New Zealand.

Published by the Independent Community Pharmacy Group (ICPG), New Zealand.

CC BY-NC-SA  
November 2023, ICPG

This publication is licenced under the Creative Commons License CC BY-NC-SA, which allows reusers to distribute, remix, adapt, and build upon the material in any medium or format for noncommercial purposes only with attribution given to the creator only. Modified material must be licensed under identical terms.

Report prepared by Janet McAllister with data supplied by ICPG and the Prescription Access Initiative.

The Prescription Access Initiative (PAI) is a group of passionate pharmacists in Aotearoa New Zealand who:

- care deeply for whānau and our communities;
- believe that all people should be enabled and supported to have the highest attainable standard of hauora, health and wellbeing;
- and work to empower all people to exercise choice, and have access to the highest-level-medicine-related manaakitanga and care in Aotearoa.

The Prescription Access Initiative is currently working to ensure the 'patient co-payment' prescription fee is not reintroduced.


# Contents

02	Foreword
03	Contents
05	Executive summary
09	Introduction
	Methodology <sup>10</sup>
	Respondents <sup>10</sup>
	Reporting <sup>11</sup>
	Report outline <sup>11</sup>
12	1 Systemic benefits: New health services and patient upskilling in self-management
	1.1 Time saved <sup>13</sup>
	1.2 Longer consultations <sup>15</sup>
	1.3 New health services <sup>16</sup>
	1.4 Staff wellbeing <sup>17</sup>
19	2 Patient responses leading to better self-management of health
	2.1 Better medicine adherence <sup>20</sup>
	2.2 In the pharmacy: better trust and engagement <sup>22</sup>
	2.3 Coming back from discounters: service and continuity of care <sup>24</sup>
	2.4 Continuity of pharmacy care improves safety <sup>27</sup>

# Contents

28	3	Effects on prescribing
	3.1	Better equity <sup>28</sup>
	3.2	Easier prescriber-pharmacy communication <sup>30</sup>
	3.3	Positive feedback from prescribers re: the community pharmacy service <sup>30</sup>
	3.4	Reduction of hospital pharmacist burden <sup>31</sup>
	3.5	Financial burden removed <sup>31</sup>
32	4	National's plans: "Disastrous"
	4.1	Impact on community pharmacy services overall <sup>34</sup>
	4.2	Direct effects on people who will miss out on targeted fees removal <sup>36</sup>
	4.3	Reduction in continuity of care <sup>39</sup>
	4.4	Abuse of pharmacists <sup>40</sup>
10		Final remarks

## EXECUTIVE SUMMARY



“I have spent more time with my patients the past three months. Removing the "transaction" approach to healthcare is amazing.”

- Hawkes Bay

# The immediate positive impacts of introducing universal fees-free prescriptions in July 2023 in Aotearoa New Zealand have far exceeded community pharmacy expectations.

As well as far better and more equitable access to vital medicines, benefits reported by community pharmacy staff include: better preventative care and early intervention for all patients; better safety for all patients; and better continuity of care.

A key factor is the significant freeing up of pharmacist time, which can now be used for longer patient consultations and other health services such as vaccinations, minor ailment prescribing services and cardiovascular screening. Such benefits are systemic effects which affect every single patient (even if they could easily afford prescriptions fees) and whole communities, as well as the individuals now able to access medicines where previously they could not.

The systemic benefits are a key finding from our October 2023 survey which attracted responses from 235 community pharmacy staff (mostly pharmacists), working in at least 119 community pharmacies throughout Aotearoa New Zealand.

The survey responses described how universal fees-free prescriptions are enabling a more effective, efficient primary healthcare service, and how National's targeting plan would be destabilising for the sector, putting services and capacity in jeopardy for all patients, whether or not they are paying prescription fees. Our survey indicates that since universal fees-free prescriptions were introduced in July 2023:

- Pharmacists at 9 of every 10 community pharmacies (92%) now have longer conversations with patients about their health, including how to better manage chronic conditions such as diabetes and asthma.
- Two-thirds of community pharmacies (67%) have expanded their health service offerings based on community need, including, for example: vaccinations, ear microsuctioning, and screening for sleep apnoea, cardiovascular disease or Hepatitis C.
- These healthcare enhancements are possible because each community pharmacy is saving over 10 hours in staff time a week (0.25 full-time equivalent per pharmacy), equivalent to at least 256 full-time staff around the country, including an expected 128 pharmacists.
- Patients now pick up all their medications at once, leading to earlier treatment and better adherence to prescribed medication plans. Nearly all (97%) community pharmacy owner-operators agreed that "people pick up their prescriptions more quickly", and 94% agreed that "people no longer choose which of several prescribed medicines to pick up."
- The elimination of financial shame means struggling patients now engage in pharmacy consultations, gaining a better understanding of their conditions.
- Patients have more autonomy over their healthcare and many have returned to local community pharmacies, particularly from discounters, enabling better access to healthcare, continuity of care and enhanced patient safety.
- National's fees-free targeting plan will undo most of the benefits of universal fees-free prescriptions (such as access to healthcare and continuity of care), and create new problems.

- Fees-free targeting will affect all patients, whether or not they are required to pay for prescriptions: it will be destabilising for the sector, putting services and staff count in jeopardy, as pharmacists' time is taken up with administrative red tape.
- Pharmacists fear patients living "paycheck to paycheck" but ineligible for targeting will again disengage with the health system to the detriment of their health.
- If targeting is introduced, pharmacy staff also fear patient distress and abuse, due to misunderstandings, unmet expectations and frustrations.

## Recommendation: That the Government support universal fees-free prescriptions in perpetuity.

Figure 1: Benefits of introduction of universal fees-free prescriptions by financial security of patient

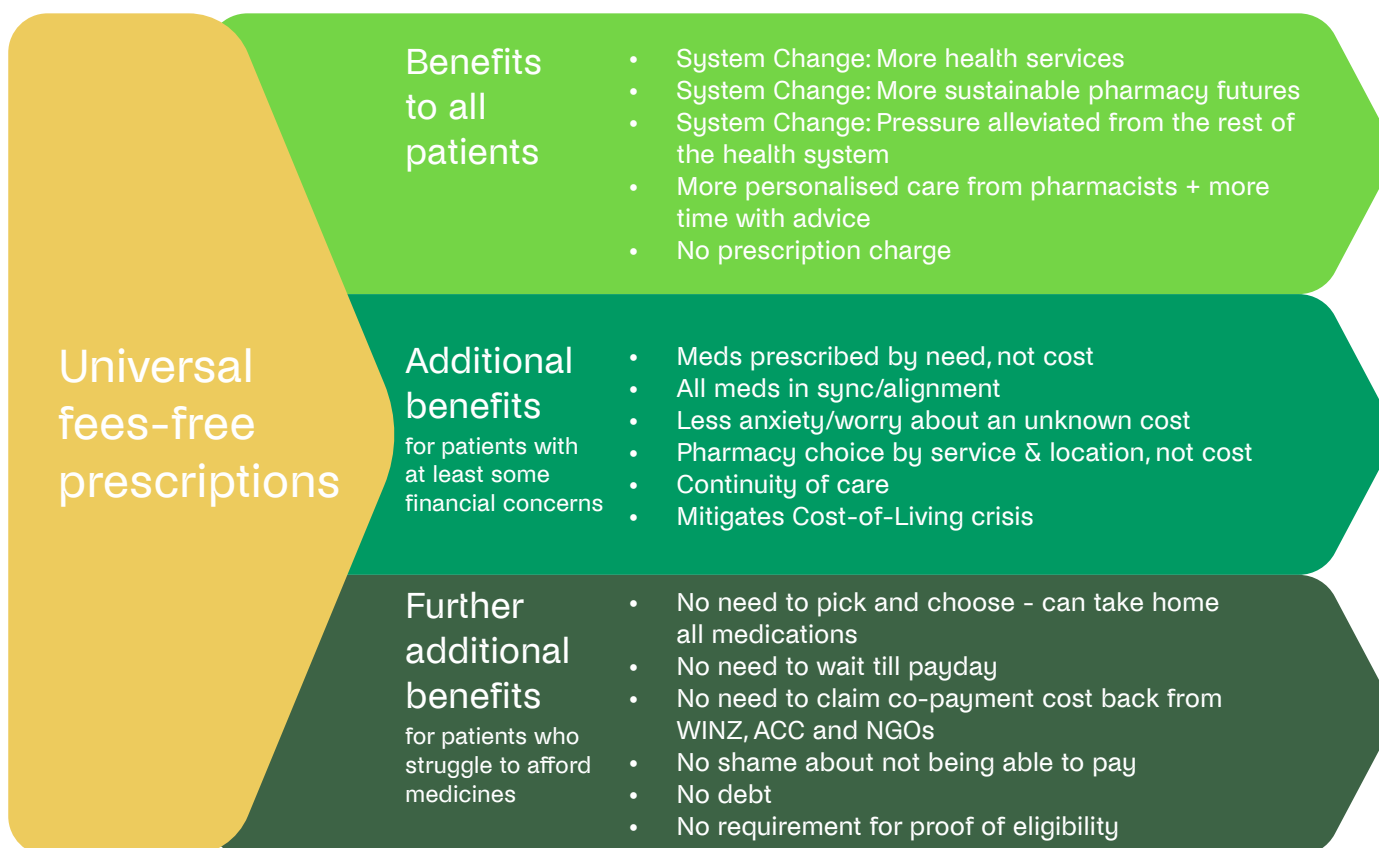
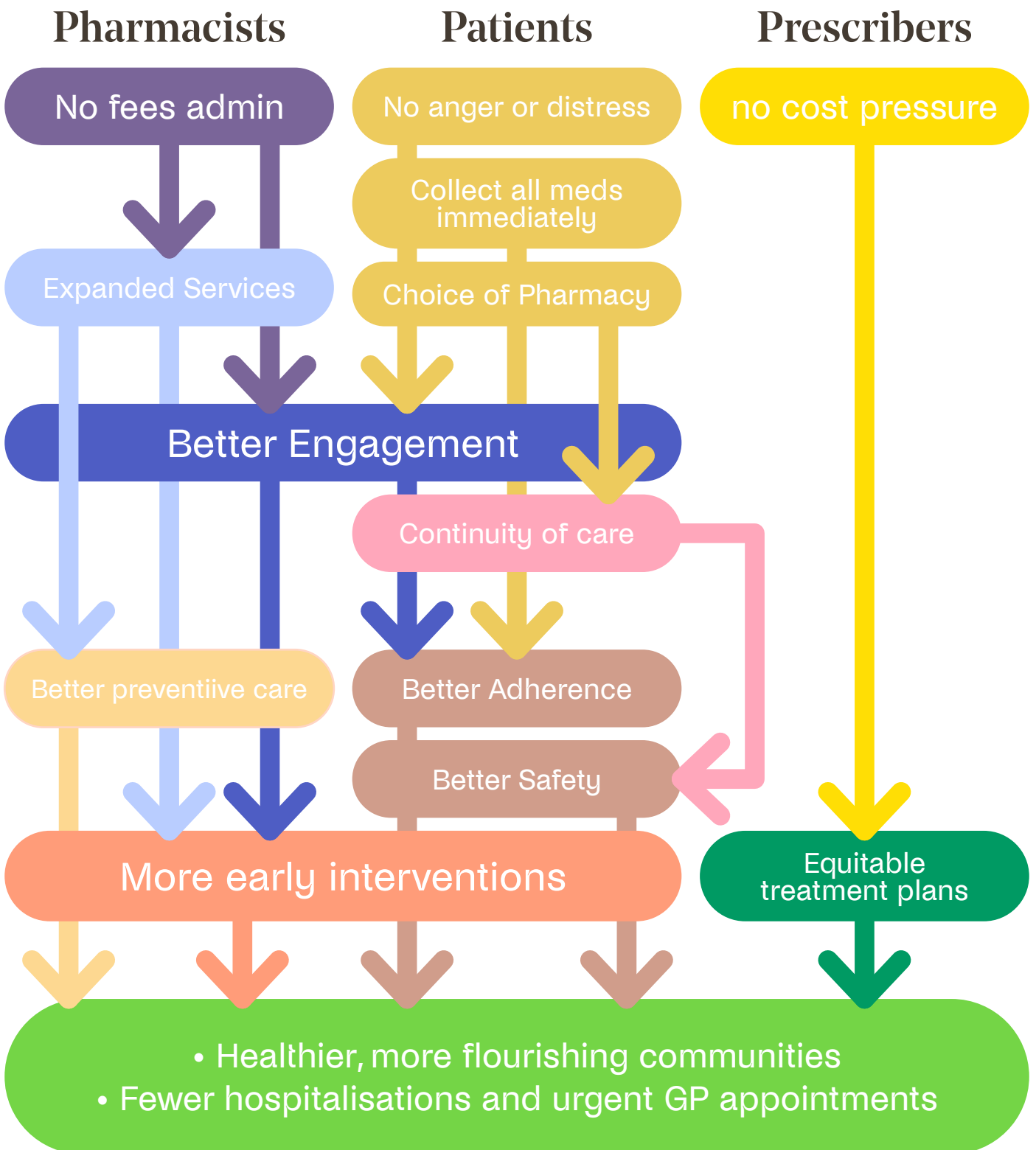




Figure 2: Universal fees-free prescriptions support community health in multiple ways



## INTRODUCTION

Until 1 July 2023, access to necessary medicines in Aotearoa New Zealand was blocked for many by the government's "patient co-payment" prescription fee, which was targeted at patients aged 14 years and over, at usually \$5 per item.<sup>1</sup>

Earlier in the year, new University of Otago research led by Professor Pauline Norris had shown the "co-pay" fee to significantly increase the number of people admitted to hospital,<sup>2</sup> and our own initial ICPG/PAI survey of community pharmacists shone light on other effects of the fee, such as: patient shame; family stress; ill-informed treatment decisions; and patient outcomes including stroke, heart attack, sight loss, kidney failure, and amputations (including amputation leading to job loss).<sup>3</sup>

Accordingly, the government's universal removal of the fee on 1 July 2023 was warmly welcomed by relieved patients and pharmacists alike.

This second ICPG/PAI survey report tells the story of large positive effects of universal fees-free prescriptions in their first three months. This report is a companion to our first survey report: together they offer a snapshot of "before" and "after" the fee removal.

<sup>1</sup> For more information about the pre-July 2023 fees and exemptions (such a prescription subsidy card for free prescriptions after \$100 per family has been spent - usually 20 items), see ICPG's April 2023 policy paper regarding prescription fees.

<sup>2</sup> Norris, P., Cousins, K., Horsburgh, S., Keown, S., Churchward, M., Samaranayaka, A., ... & Marra, C. (2023). Impact of removing prescription co-payments on the use of costly health services: a pragmatic randomised controlled trial. *BMC Health Services Research*, 23(1), 1-11. (See also the University of Otago explainer)

<sup>3</sup> McAllister, J. (2023.) "It is devastating": 'Patient co-payment' prescription fees and their effect on communities, as witnessed by community pharmacists. Independent Community Pharmacy Group and Prescription Access Initiative. NZ.

## METHODOLOGY

An online survey, open from 16 to 31 October 2023, was distributed via pharmacist email networks and social media, targeted to all community pharmacists and other community pharmacy staff.

The anonymous survey included multi-choice questions regarding: 1. the effects of fees removal on prescription pick-ups, staff morale, higher-income patient stress, and medicine alignment (eg ensuring the renewal time for all ongoing prescriptions is not staggered); 2. the amount of staff time saved by fees removal, in three categories (payment transactions; debt follow-up; and assisting patients to prioritise prescribed items and access funding); and 3. what this saved time was used for.

The survey also included questions inviting free-text responses regarding: memorable patient reactions to the news that prescriptions would be free; examples of expanded opportunities to offer health advice and/or health services; other benefits of co-payment removal; the expected effects of the National Party introducing a targeted co-payment regime; and any feedback which participants had heard from other healthcare providers such as GPs and hospitals on the fees-free effect on patient care and coordination.

## Respondents

Survey respondents included 119 pharmacists who are community pharmacy owner-operators; 82 employed community pharmacists; 22 pharmacy technicians; 8 pharmacy retail/support staff; four locum pharmacists and two hospital and/or GP practice clinical pharmacists. Thus the survey received 235 responses from at least 119 community pharmacies, as well as two responses from hospital pharmacists.

## METHODOLOGY

The North Island / South Island distribution of participants matches population distribution (77% vs 23%), and regional distribution is also good, including participants from across the country, although skewing towards Auckland (38% of participants vs 33% of overall population) and Waikato (14% vs 10).

## Reporting

This report includes free-text comments from participants regardless of their community pharmacy staff role (the one comment included from a hospital pharmacist is marked as such). The multi-choice question statistics are reported here for community pharmacy owner-operators only, in order to ensure each pharmacy is counted only once.

This report only gives a brief glance at the depth of feeling within the community pharmacy sector, including less than a tenth of the ~38,000 free-text words submitted by participants.

## Report outline

The first section of this report describes the significant time-sink of fees-related advice and administration for pharmacists prior to universal fees removal, and the related systemic benefits to all patients of universal removal: longer patient consultations, new health services and better pharmacist morale (vital in a short-staffed sector).

The second section describes the effect on patient behaviour of fees-free prescriptions: immediate access to treatment and better adherence to prescriptions; happier engagement with pharmacists which – combined with the pharmacists' better availability – is leading to better patient understanding of how to self-manage their conditions. The third section outlines the effects on prescribers – for example, the pressure to prescribe for cost rather than best treatment has been reduced, leading to better treatment access and equity. The fourth and final section outlines the deep concern of pharmacy staff regarding National's plan to re-introduce prescription fees for most people.

# 1. Systemic benefits: New health services and patient upskilling in self-management

## Key points:

- Pharmacists at nine of every 10 community pharmacies (92%) now have longer conversations with patients about their health, including educating and enabling patients to better manage chronic conditions such as diabetes and asthma.
- Two-thirds of community pharmacies (67%) have expanded their health service offerings based on community need, including, for example: vaccinations, ear micro-suctioning, and screening for sleep apnoea, heart disease or Hepatitis C.
- These healthcare enhancements are possible because, thanks to universal prescription co-payment removal, each community pharmacy is saving over 10 hours in staff time a week on average from fees-related administration and explanation, equivalent to at least 256 full-time staff around the country, including an expected 128 pharmacists. This also assists (but does not eliminate) acute workforce pressure across the sector.

# 1.1 Time saved

**Now we have time to have a pharmacist on the shop floor to counsel patients instead of having conversations about payment.**

- Waikato

The average time saved per community pharmacy due to universal fees-free prescriptions is at least 10.25 hours per week, and probably more, according to community pharmacy owner-operator responses to questions regarding the time saved.

Table 1: Average time saved per community pharmacy

**“How much time (if any) do you think your pharmacy saves every week?”** (Owner operator responses, n=119)

	“a) by not having to carry out an eftpos or cash transaction for every patient?”	“b) by not having to follow up patients and/or funders for co-payment?”	“c) by not having to assist patients in prioritising which items to get, assessing eligibility, or assisting patients to access alternative funding methods?”	Minimum average time saved per respondents per category	Minimum time saved total
None	0	4	2	0	0
Up to 60 mins	13	16	24	10 minutes*	5.3 hours
1 - 5 hrs	44	63	54	1 hour	161 hours
5 - 10 hrs	35	17	28	5 hours	400 hours
10 - 15 hrs	18	14	8	10 hours	400 hours
15 hrs or more	9	5	3	15 hours	255 hours
				<b>Total</b>	<b>1221.3 hrs</b>
				<b>Total per participant pharmacy</b>	<b>10.26 hrs</b>

## 1.1 TIME SAVED

Across the ~1000 community pharmacies, this 10.25 hours per week is the equivalent of at least ~256 full-time staff. Based on PAI experience, it is reasonable to expect around half of those staff hours are pharmacist hours (some pharmacies do not employ non-pharmacist retail staff), or the equivalent of 128 full-time pharmacists across the country. That is, until universal co-pay removal, every community pharmacy, on average, was losing time roughly equivalent to one-eighth of a full-time pharmacist (or more), and the same again in support staff, on prescription fee management including mitigation of the fee's detrimental effects on healthcare. Not captured by the survey: the additional time saved in financial record keeping and accounts reconciliation.

**There has also been a reduction in pharmacist time being spent on exemption card lookup admin, explaining fees etc & more focus purely on our clinical role which is why we are there!**

- Hawke's Bay

**After the free Rxs came into effect [one elderly man] didn't waste our time arguing about money and cost. It saves quite a bit of time being able to focus on the provision of medical care rather than arguing about payment with him.**

- Hawke's Bay

**It completely removes the process of printing receipts and payment, which allows for us to do less admin, save paper, and more importantly, gives us more time to actually sit down and discuss medications/issues with patients.**

- Auckland

This is a remarkable outcome of the fees-free prescription policy, and one which has had immediate positive effects for all patients (whether or not they could easily pay the co-payment fee) and for the stability of the sector, as described below.

## 1.2 Longer consultations

When asked what they did with the time they saved from the elimination of co-payment administration, 92% of community pharmacy owner-operators agreed they have “longer conversations with patients about their health” and 83% agreed they have “new conversations with patients about their health”. The outcomes of longer and new consultations have included patients who are better educated on how to manage their health condition; an Otago respondent also mentioned assisting with “preventative nausea treatment with new cancer diagnoses”. With the time saved, participants told us:

**I have been able to check people’s inhaler use, and have found 4-5 people who have been using their turbuhalers incorrectly. This has been a great intervention.**

- Waikato

**Yesterday we had a discharge prescription from a newly diagnosed diabetic who left the hospital with no information about insulin, testing or self-care. Because we have slowed down our process and counselling time, the pharmacist was able to spend time showing her how to load and administer the pen, and give a good explanation of diabetes self care. Plus they hooked the patient up with the local diabetes support service.**

- Wellington

Longer consultations have also enabled treatment corrections, and identification of previously undetected issues.

**A patient with dementia was getting confused. Having time to discuss his health with his spouse led to the pharmacist contacting his prescriber to stop a medication that was unnecessary and worsening his confusion. [Another] patient had accidentally increased her dose of her insulin without doctor’s advice. Discovery came about when asking about her health- she mentioned falls.**

- Location withheld



## 1.3 New health services

**We are able [to conduct] vaccinations as we are able to hire more staff.**

- Auckland

Two-thirds (67%) of community pharmacies report they are now offering “new health services” thanks to the elimination of co-payment administration. Expansion of preventative and early intervention services means these services are now more accessible to all patients. New services mentioned by survey respondents included:

- Vaccinations including a pilot childhood vaccination project
- Sleep apnoea diagnostic service
- CardiAction cardiovascular disease risk screening
- Strep throat testing and treatment
- Hepatitis C Test and Treat Programme
- Clinical pharmacy within a community pharmacy setting pilot. For example, clinical audits and medicines reconciliation.
- CPAMS (anticoagulation management): monitoring for patients on blood thinners
- Minor Ailments Service
- Ear microsuctioning
- Reminding patients when to collect their repeats and/or make a GP appointment
- Palliative care syringes
- Blood pressure testing

**Removal of prescription fees has led to our team asking each and every patient that presents on the day about their vaccination status especially COVID-19, Boostrix and MMR vaccines. Flu vaccine is asked during months it's operating. We check CIR and AIR portals [COVID-19 vaccine and immunisation registers] instead of processing EFTPOS for copayment. This has led to a huge uptake of vaccinations administered compared to last year.**

- Auckland

### 1.3 NEW HEALTH SERVICES

**More patients have been offered compliance packs [blister packs] because we could see they were struggling to cope. The results have been very positive**

- Waikato

Home delivery of medicines for patients who are house-bound also became easier (as mobile or online payments are no longer required). In at least one case, deliveries also became free:

**Often, we waive our delivery fee and give free advice afterhours. These things would not be possible if we are charging a prescription fee. We would have to charge for deliveries, and use our time more wisely to figure out how to keep a business running instead of how to use our time to look after the patient to the best of our ability.**

- Auckland

### 1.4 Staff wellbeing

**For over 40 years I have collected prescription tax - both here and in [another country] and I did not realise how much it impacted my work day - until now. I am blown away by the [positive] impact that not collecting Co-Payments has had on our work life.**

- Waikato


Eighty-seven percent of community pharmacy owner-operators agreed "pharmacy staff morale is better" as a result of the universal co-payment removal. From comments made by all survey respondents, this appears to be a mix of better job satisfaction as pharmacy staff spend more time on meaningful health activities with patients, and less stress due to the elimination of co-pay-related abuse and difficult conversations with distressed, angry and ashamed patients.

## 1.4 STAFF WELLBEING

One community pharmacy owner-operator in the upper South Island said he had not introduced or expanded health services, instead choosing “a bit less time spent at work after the doors are closed”; he felt some of the biggest problems in rural pharmacy were “lack of qualified staff and burnout”.

Over seven of ten community pharmacy owner-operators (72%) agreed they are using the time saved from the co-payment removal to “catch-up with admin backlog, training and development”. New services usually require staff training as a matter of course. One pharmacist mentioned having had “time to plan and enrol technicians to do vaccinations and PACT [Pharmacy Accuracy Checking Technician]”. PACT is a qualification that allows technicians to competently undertake the final accuracy check on a dispensed item, freeing up pharmacist time to do other patient-related activities.

The pharmacist noted:



**This has been incentivised due to seeing the benefit in having the pharmacist spend longer talking to the patient.**

- Wellington

In summary, the systemic benefits of universal fees-free prescriptions – quite separately from the positive effects of patient financial savings – are significant, and have positive flow-on effects for all patients, not just those who were struggling to pay prescription fees prior to their removal.

There is an expectation that these system benefits will be greatly diminished or even disappear altogether if the National Party’s planned co-payment targeting is implemented, as discussed in section 4.

# 2. Patient responses leading to better self-management of health



**I can afford to get better now.**

– patient comment to pharmacist,  
Auckland

**Everyone has been delighted,  
ecstatic and relieved.**

– Auckland

## Key points:

- Patients – particularly those with high health needs, as they previously had the highest costs – are more likely to pick up all their medications at once, and less likely than previous to “eke” them out over a longer-than-prescribed period of time, meaning increased medicine adherence.
- The elimination of financial shame means patients struggling financially will engage in pharmacy consultations, gaining a better understanding of their conditions.
- Many previous and new patients have also returned to their local community pharmacies, particularly from discounters, now that their healthcare access is not predetermined by cost. This enables continuity of care (rather than patients juggling scripts from multiple pharmacies, who may not be aware of what else the patient has been prescribed) which enhances patient safety.

## 2.1 Better medicine adherence

**Prescription abandonment decreased by more than 50%.**

– Wellington

Patients are now more likely to pick up all their medications at once: 115 of 119 community pharmacy owner-operators (97%) agreed that “people pick up their prescriptions more quickly”, and 94% (112 of 119 respondents) agreed that “people no longer choose which of several prescribed medicines to pick up”. People with chronic health issues as well as those with low incomes are among those who benefit. A Taranaki pharmacist mentioned patients starting to pick up their prescribed anti-anxiety medication as well as sleeping aids.

**[A patient told us] "Now I can get my preventer inhaler and use it regularly. My asthma is better controlled now and I don't go to ED anymore when I have an attack."**

– Hawke's Bay

**[One patient previously] couldn't get her prescription and a pack of mince. [After co-pay removal] I saw her collecting all her items on time with the free prescriptions, and was taking them as prescribed, and her blood pressure has come down, her diabetes is coming back under control and she has become at less risk of a heart attack.**

– Canterbury

**No-copayments increased accessibility in our rural and Māori population. [Previously] important blood pressure and cholesterol medication [was] left behind.**

– Northland

**Dialysis patient with mobility issues who is on 10+ meds, finally can afford to pick up her medicines.**

– Auckland

**Particularly for our mental health clients, they are not making their medications last longer than they should (often reducing doses or missing doses until they could afford to pick up). Now they are taking their medications correctly and seeing the benefits which helps with their work and home environment - huge flow on effects.**

– Taranaki

## 2.1 BETTER MEDICINE ADHERENCE

Family members caring for loved ones, sometimes in urgent situations, no longer have the additional stress of a prescription bill.

**One lady came in to collect her dad's medications. He had just come out of the hospital after having major heart surgery. She was panicking as he was on 15 items and she thought it would cost her \$75 which she did not have. She quickly dropped the prescription on the counter and said she will collect once she gets the money next week and walked out. She was rushing and upset and flustered. I went after her and explained she does not need to pay anything and we can in fact give her the medications today at no cost. She started crying with relief. Her dad got his medications that day and he is doing well and recovering nicely.**

- Location withheld

**Lady in her fifties admitted to hospital because she had stopped taking her heart medications. [When she was discharged] she came back in saying that she would get them now as [they were free]. She said although she was working, that her husband is disabled and they struggle to get by. Her health is lowest priority.**

- Location withheld

This includes families with children.

**The patients we see that this benefits the most are young couples with children. Children are getting sick and spreading it to the parents. Sometimes these colds/flu are lasting for months which means multiple doctors visits and pharmacy visits. Sure, children under 14 years are free but mum and dad are not. Also the cost of living really adds to this.**

- Auckland

## 2.2 In the pharmacy: better trust & engagement

Some respondents commented on how the atmosphere or “vibe” in their pharmacy has changed thanks to universal fees-free prescriptions.

**More community feeling! We have way more interactions between customers passing each other and hearing ‘kia ora Aunty, how’s the whānau?’ Etc.**

- Bay of Plenty

Four of every five community pharmacy owner-operators (80%) agreed that “even patients who could always afford prescriptions seem less stressed overall.” Thanks to the elimination of patient stress and anxiety about cost as well as the increased time pharmacists can spend talking to patients, the patient-pharmacist relationship has improved overall.

**By taking the whakamā away from money, then we are able to have frank, honest and heartfelt conversations with our patients. They are so much more receptive to our help, and tend to spend longer in store and ask really good questions that you can see they have wanted to ask for a long time.**

- Bay of Plenty

**Patients are more relaxed and focused on their medications. Considering the average person retains only three points from a discussion, there’s not much brain space left after explaining the prescription taxes.**

- Wellington

The health education outcomes can be immediate – such as discussing concerns over side effects.

## 2.2 IN THE PHARMACY: BETTER TRUST & ENGAGEMENT

**Patients who didn't know about or couldn't afford laxative prescriptions with their pain relief medications now understand the importance of these.**

- Taranaki

**Not being flustered about money has led to willingness to [engage with] the demonstration of insulin pens.**

- Wellington

And it can mean deeper re-engagement for people who are living with chronic and difficult conditions.

**A local lady who has long struggled with extremely bad rheumatoid arthritis and lupus had disengaged from health services for a long time. I had always tried to build a good relationship with her but she was held back with the inability to pay for all her meds and felt shame. When the fee-free Rx was available she returned to the pharmacy and after 1-2 months was in much better shape, with the help of her daughter.**

- Location withheld

The lowering of patient distress also lowers pharmacy staff stress.

**Less abuse for staff from those who have mental health and addiction issues as they have less money stress, and we're not stressed anticipating it.**

- Wellington

The survey did not ask specifically about what respondents knew about what patients did with the money they saved from fees-free prescriptions, but respondents reported patients getting "extra food/toothpaste for Mokos" (Hawke's Bay); purchasing non-prescription medications; and paying off doctors' bills. A large number of survey respondents mentioned patients purchasing adherence packaging in which the pharmacy manages and personalises their medicines into multidose-dose medicine aids – such as blister and sachet packaging – making it easier for the patient to take their prescriptions without having to remember a large number of instructions for multiple items, improving adherence and engagement "dramatically" (Waikato).



## 2.3 Coming back from discounters: service and continuity of care

Prior to universal fees-free prescriptions, corporate discounters paid the co-payment fees on behalf of patients as a commercial strategy / loss leader. A large proportion of survey respondents, without prompting, volunteered that patients who had gone to discounters when prescription costs were a barrier have returned to their local community pharmacies, now there is no cost differential. Seven out of every ten community pharmacy owner-operator (69%) indicated they have “higher volumes of prescriptions” since co-pay removal, and it is expected the bulk of this increase is patients returning from discounters.<sup>4</sup>

This means patients can now choose their pharmacy based on their preference for particular service/s and/or the location, rather than their decision being predetermined by cost.

**I worked in a discounter pharmacy, and because we had high volume of scripts and been short staffed we can't provide same level of service. It's a different kind of pharmacy care.**

- Location withheld

The larger the number of medicines a patient needs, the more complex their conditions are likely to be, and the higher the likelihood of a detrimental interaction between medications, or between one health condition and the medication for another. Yet at the same time, when co-payment was per-item, the more incentive the patient had to go to a discounter.<sup>5</sup>

<sup>4</sup> Regional variation in responses supports this expectation also: In Auckland – which has a large number of discount pharmacy branches – 77% of community pharmacies reported experiencing higher volumes of prescriptions after the universal removal of prescription fees, compared to only 61% of community pharmacies in the combined regions of Northland, Bay of Plenty, King Country/ Central Plateau, Taranaki, Hawkes Bay, Upper South Island and Southland.

<sup>5</sup> In our previous survey, many pharmacists noted that patients with high prescription requirements would often use discounters annually for a few weeks or months until they reached the 20-item threshold at which all their prescriptions could be free, at which point they would migrate back to their preferred community pharmacist. This interrupted continuity of care, particularly concerning for people taking multiple medications.

### 2.3 COMING BACK FROM DISCOUNTERS: SERVICE AND CONTINUITY OF CARE

**We have had multiple patients come to us from discounters. Upon evaluation of their medication and natural health supplements we have been able to identify multiple interactions and contraindications. Patients are so impressed with what we can offer in terms of rapport and advice that they would love to come back. The 5 dollar charge was a really big barrier to this. And that 5 dollars means a lot to a lot of people.**

- Auckland

**A returning customer came in - she's over 80 and the doctor prescribed [a particular antibiotic for bladder infections]. We checked her kidney function and [...] called the doctor to change it to a safer antibiotic because it's contra-indicated with her kidney function. The patient thanked us for taking the extra mile and she said she'll come back. The reason she was going to discounters, is because she couldn't afford paying for her long list of medications**

- Location withheld

**I've had several customers bring in new prescriptions to us, for medicines they had previously had dispensed elsewhere [yet] they didn't know what the medicines were for, or when was the best time of day to take them, or in relation to food.**

- Taranaki

Surveyed pharmacists noted patients who had previously had medicines dispensed elsewhere often still showed a lack of understanding about how to take them and what they were for. Such medicines included: asthma preventers; gout preventers; and sun damage treatment, which the patient had misapplied, causing their face to ulcerate.

### 2.3 COMING BACK FROM DISCOUNTERS: SERVICE AND CONTINUITY OF CARE

**Patients were prescribed pain relief medicines for gout but did not receive preventer medicine like Allopurinol. In some cases, they were prescribed preventer but they stopped taking it - not realising its importance. We took time with them, explaining that Gout is not just about pain and swelling, importance of preventer, target blood levels of Uric acid etc. Such interventions were possible because they came to us and not a [discounter]. This is just one example.**

- Waikato

We heard from one pharmacist who disclosed they worked at both an independent community pharmacy and a corporate discounter. The survey did not therefore attract any other responses which could corroborate their comment below, but it does suggest that spreading the patient load also enables discounters more time to deliver a better quality service.

**I worked at a discounter pharmacy for [X number of] years, in general, it is very busy and workers are stressed, waiting time used to be extremely long (hours). After the co-payment had been removed, [...]the workload had dropped quite a lot, it gives us a chance to fix the problem if there is any, and follow up on the problems from the scripts, which is really needed.**

- Location withheld

## 2.4 Continuity of pharmacy care improves safety

Regardless of the quality of respective pharmacy services, continuity of pharmacy care was disrupted by prescription fees prior to July 2023, compromising patient safety. This issue is greatly reduced by universal fees-free prescriptions, as it means patients are more likely to go back to the same pharmacy for everything.

**Multiple potential drug-drug interactions averted – as previously prescriptions were being picked up from multiple unlinked Pharmacies.**

- Auckland

**It is imperative that patients on complex meds stick to one pharmacy. I witnessed hospital staff directing patients to [discounters] in order to save money, I then subsequently witnessed mistakes being made with meds due to using different pharmacies, and because multiple prescribers are involved (GP and hospital) sometimes changes are not picked up. These issues are across all socioeconomic levels.**

- Taranaki

**Less script splitting between pharmacies now. [... Previously, one of our patients] also got regular medicines from [a discounter] pharmacy in blisters that we didn't know about. He was getting confused about the different blister packs and we didn't know about one of them so the conversation was a bit confusing all round.**

- Auckland

# 3.

## Effects on prescribing

### Key points:

- Community pharmacy staff understand that prescribers can now prescribe for best therapeutic effects, without being under pressure from patients to reduce patient costs. This means there is more treatment equity – for example, medication synchronisation - which helps with adherence as all prescriptions finish on the same day – no longer involves a cost to the patient, and patients are therefore not resistant to such prescribing.
- Many patients are choosing a community pharmacy in the same neighbourhood as their doctor's, which assists with prescriber-pharmacy communication and cross-service coordination of care.

### 3.1 Better equity

Below are second-hand accounts of the effects on prescribers as described by community pharmacy staff in our survey. The story is the same around the country: prescribers were under pressure from patients to consider the patient costs as well as the therapeutic effects of the items they were prescribing; now items are prescribed on the basis of their health effects alone which means there is more equitable access to medication.

### 3.1 BETTER EQUITY

**Local doctor very grateful as now prescribes according to needs and not their bank account.**

– Southland

**[Prescribers have told me] “We no longer have to hold back in implementing the best medication regimes for our patients due to costs.”**

– Waikato

**The GPs said it reduces pressure on them as the conversation [with the patient] is about the medicine and not the cost.**

– Auckland

In addition, patients no longer oppose changes to medicines on grounds of cost. This also likely increases equity in terms of treatments prescribed.

**Easier to get new scripts from doctors for changes without worry about charge complaints.**

– Bay of plenty

**It is easier to line up or sync medications. That is, we can remove a repeat (for example) to line up meds, without patients being in the mindset “but I paid for that”.**

– Canterbury

Aligning medicines in this way – so the prescriptions all finish on the same day – means potentially fewer GP appointments, and makes blister packaging more viable – which helps with adherence.

One comment indicated that fees-free prescriptions may also remove a barrier to accessing GP care.

## 3.2 Easier prescriber-pharmacy communication

Location as well as perceived service is a reason for patients to switch (back) to community pharmacists. Many patients are choosing a community pharmacy in the same neighbourhood as their doctor's, which assists with prescriber-pharmacy coordination and cross-service continuity of care.

**If there is any issue with prescribing, we can communicate very easily by just going next door and discussing the options.**

– Auckland

**[The time saved by fees-free prescriptions helps when we are] organising scripts from GPs that were started by secondary care etc.**

– Hawkes Bay

**GPs have been grateful when we have been able to verify and reconcile unintended changes.**

– Auckland

## 3.3 Positive feedback from prescribers re: the community pharmacy service

Community pharmacies have received unsolicited praise from many prescribers since their interaction with them has increased in the wake of the universal fees-free prescriptions introduction and subsequent patient return to community pharmacies from discounters.

**Hospital staff are happy that if they email prescriptions to us, medicines will be delivered to the patient's home by the time the discharged patient reaches home.**

– Waikato

**[One GP] called and said he is so pleased this [fees-free prescriptions] has happened. Many of his patients loved coming to us but they couldn't afford it and he hears so many comments about how good it has been going back to their favourite pharmacy! He wanted us know that we are doing a great job! (To add, that practice is attached to another pharmacy and all doctors there have a very good relationship with that pharmacy but this is what he had experienced and wanted to share!)**

– Auckland

## 3.4 Reduction of hospital pharmacist burden

One of the hospital pharmacists who responded to the survey told us she was seeing fewer admissions for unmedicated conditions, as well as:

**...less workload for hospital pharmacists, as we are mightily short staffed. [We are no longer always] dispensing take-home medicines for patients who live some distance away from our hospital – for example up East Cape – as price is no longer a barrier. We can email/scan scripts to pharmacies to be collected en route or sent to the patients on their arrival home.**

– Bay of Plenty hospital pharmacist

## 3.5 Financial burden removed

Fees-free prescriptions lift an imposed financial burden off the entire primary healthcare sector, not just pharmacies and patients.

**The local GP practice and community outreach and nursing teams, and mental health workers are very satisfied with the Free prescriptions. They often reach into their own pockets when collecting patient's scripts to pay the co-payment with little or no hope of it being reimbursed to them.**

– Wellington

**Our local PHO [Primary Healthcare Provider] had a prescription fund to support patients who couldn't make the \$5 payment. They are looking to re-purpose this fund to support new health initiatives.**

– Auckland



# 4. National's plans: "Disastrous"

**I just want to cry and then close  
because it will make it so much harder.**

– Northland

**It would be a nightmare.  
An absolute nightmare.**

– Otago

**Disastrous - bad PR, endless  
conversations & pissed off people.**

– Auckland

## Key points:

- The National Party plans to charge most New Zealanders a fee per prescription item; this will undo most of the benefits of universal fees-free prescriptions (such as continuity of care), and create new problems.
- Targeting will affect all patients, whether or not they are required to pay for prescriptions: it will be destabilising for the sector, putting services and staff count in jeopardy, as pharmacists' time is taken up with administrative red tape.

- Community pharmacists are concerned that patients living "paycheck to paycheck" will again disengage with the health system to the detriment of their health.
- Targeting will create a barrier to vital healthcare: the income caps on fees-free eligibility for teenagers and working-age adults are extremely low: less than 27 hours of minimum wage work per week for a single person sharing accommodation.<sup>6</sup>
- The application process for a Community Services Card (for fees-exemption) is an insurmountable barrier for many who would be eligible.
- If targeting is introduced, pharmacy staff fear patient distress and abuse directed towards pharmacy staff, due to misunderstandings, unmet expectations and frustrations.

The National Party is planning to introduce prescription fees targeting, in which most New Zealanders (over 3 million) will have to pay a prescription fee per item, in order to save 0.23% of the upfront health costs (nominally saving only \$70 million out of a \$30,000 million annual health budget, and producing further downstream costs such as hospital admissions).<sup>7</sup> Only those who hold a Community Services Card (targeted at people on extremely low incomes) or a Super Gold Card (people over the age of 65) will be exempt from paying the charge.

6

Single – Living With Others Annual Before-Tax Income Limit: \$31,705. Work & Income webpage re Community Services Card > Who Can Get It > Income Limits

7

Norris, P., Cousins, K., Horsburgh, S., Keown, S., Churchward, M., Samaranayaka, A., ... & Marra, C. (2023). Impact of removing prescription co-payments on the use of costly health services: a pragmatic randomised controlled trial. *BMC Health Services Research*, 23(1), 1-11. (See also the University of Otago explainer)

## 4.1 Impact on community pharmacy services overall

**500 steps backwards.**

– Auckland

Introducing targeted prescription fees will mean swapping pharmacist-patient conversations supporting health for conversations about eligibility and cost. Using pharmacist time for administrative red tape will affect all patients, whether or not they are required to pay for prescriptions.

**We do not have retail staff at our pharmacy, we have 5 pharmacists & 2 technicians so it would cut into clinical time inevitably.**

– Location withheld

**Being tax collectors [...] is such a waste of our time as healthcare professionals that we could rather spend on implementing and promoting worldclass healthcare, vaccinations, blood pressure checks, medicine education, wound care dressing etc etc.**

– Waikato

#### 4.1 IMPACT ON COMMUNITY PHARMACY SERVICES OVERALL

The time required to administer and explain targeting may be even higher for pharmacies than before universal fees removal.

**Workload would increase above what it was pre removal - this is due to having to explain change to patients, ask if they have a Community Services Card or Gold Card.**

– Hawke's bay

**The confusion this will create is massive [requiring lots of explanations].**

– Waikato

**Administration of the system would be onerous, a nightmare. Determining eligibility would be almost impossible to do accurately.**

– Waikato

**This will be hugely disruptive to our pharmacy. We deal with 1000+ script items per day and the large majority of these scripts are received through email. This means we have to dispense constantly throughout the day before the patients come to the pharmacy to ensure we can keep up with the volumes. [We need something] to ensure we don't have to go back and re-do all of our charging constantly when customers present for their script with a Community Services Card we were unaware of.**

– Hawke's bay

**It would be chaos!**

– Canterbury

**Having to call the CSC phone line [...] is cumbersome and time-consuming.**

– Auckland

## 4.1 IMPACT ON COMMUNITY PHARMACY SERVICES OVERALL

The increased use of staff time on health-related activities thanks to universal fees removal (equivalent of ~128 full-time pharmacists, and 256 staff in total across the community pharmacy sector, or 10.2 hours per week per community pharmacy on average) would therefore disappear. If the administrative and patient explanation/eligibility checking burden is, as expected, heavier with targeting than prior to universal fees removal, then the inroads on staff time and related costs will also be more.

**If we are asked to start collecting it again not only will I be bitterly disappointed but I would also like to be paid for the time my staff would spend determining patient eligibility. We were being used as a free resource and that cannot be allowed to continue.**

– Waikato

## 4.2 Direct effects on people who will miss out on targeted fees removal

**We all work at [name] hospice. These patients and their families are going through an extremely traumatic and stressful time. [...Prior to universal removal] I have had a patient who can hardly get out of bed struggling to find their wallet to pay me. It is so wrong that I have to take this money off this vulnerable population.**

– South Island

## 4.2 DIRECT EFFECTS ON PEOPLE WHO WILL MISS OUT ON TARGETED FEES REMOVAL

The income caps on eligibility for a Community Services Card (CSC) are extremely low: less than 27 hours of minimum wage work per week for a single person sharing accommodation.<sup>8</sup> Many pharmacists voiced concern about the resurrecting a barrier to vital healthcare for people living "paycheck to paycheck" (Auckland).

**[The] majority of our patients are ineligible for a community service card but with chronic diseases and they choose between their diabetes or their blood pressure medicines or their antidepressants.**

– Canterbury

**There are some people that don't have a CSC as they are just over the criteria but they are still struggling to pay bills/food and other expenses.**

– Auckland

Since universal fee removal, pharmacists have seen hard-won progress in building trust with the "working poor" (Canterbury).

**We have several people who work at minimally paid jobs embarrassed they could not afford to collect their medications so were quite defensive and abrupt. Now it is free we can form relationship with these vulnerable people.**

– Hawkes Bay

<sup>8</sup> Single – Living With Others Annual Before-Tax Income Limit: \$31,705.  
Work & Income webpage re Community Services Card > Who Can Get It > Income Limits

## 4.2 DIRECT EFFECTS ON PEOPLE WHO WILL MISS OUT ON TARGETED FEES REMOVAL

The expectation is this trust will now be severely damaged; people will disengage with the health system to the detriment of their health.

Not all the people eligible for a CSC have one, and the CSC application process itself is an insurmountable barrier for many.

**Many of our patients (Lower Socio) will leave prescriptions to expire rather than apply for a community services card.**

– Auckland

**We have many people who [...] may be entitled to get a community services card but not willing to be treated like a criminal or second class citizen by winz [Work & Income] to get one.**

– Auckland

**Do all those eligible for the CSC have one? What about homeless, those who are in transient housing etc. who are often our most vulnerable.**

– Hawkes Bay

Even people on middle incomes have found the universal fees-free prescriptions to be a huge relief – the reintroduction of fees will be an additional worry for them.

**People I thought could pay have voiced how much [fee removal has] helped them through a tough time with increasing mortgages.**

– Hawkes Bay

## 4.2 DIRECT EFFECTS ON PEOPLE WHO WILL MISS OUT ON TARGETED FEES REMOVAL

Prescription fees are unexpected bills, which makes planning much harder.

**[Universal fee removal means] many grateful people [including] young families who sometimes just have no money on the day due to emergencies and shouldn't go without their health.**

– Auckland

**[Universal fee removal means] the patient can go to the doctor with the knowledge of what the costs will be.**

– Auckland

## 4.3 Reduction in continuity of care

Pharmacists expect patients struggling with the cost of living crisis will again be forced to choose their pharmacy on the basis of cost and not on the basis of service and/or location. This will reduce continuity of care.

**We would see lots of patients go back to the discounters. It may mean we have to reduce the number of staff at the Pharmacy.**

– Wellington

**Since National have been voted in, I've already had a customer express her dismay that she doesn't meet National's criteria for free prescriptions, but she cannot afford to pay for them so, although she prefers to come to us [...] she will have to return to driving into town to get her free prescriptions.**

– Canterbury



### 4.3 REDUCTION IN CONTINUITY OF CARE

Others will not engage with the health system until their condition worsens, and requires immediate attention – and this may include patients who do indeed hold a card for fees-free prescriptions.

**This will cause patients who are eligible to not present scripts due to not understanding who is free and who has to pay.**

– Waikato

**I am concerned that we will go back to GPs having to hand out meds from emergency cupboards. This already negatively impacts as [there are] insufficient instructions and no counter checks done and [such dispensing is] not on a national database so it impacts secondary care too.**

– Northland

## 4.4 Abuse of pharmacists

Prior to universal fees removal, patients were often distressed, angry and ashamed regarding their struggle to cover the fees, and the barrier the government put between them and vital healthcare. Some of these patients sometimes lashed out at pharmacy staff verbally or even physically (such as throwing the medication at the person serving them).<sup>9</sup> Even the occasional difficult conversation made staff apprehensive about most interactions with patients. Pharmacy staff throughout the country fear this culture of hesitancy and abuse will immediately descend again, if targeting is introduced, due to misunderstandings, unmet expectations and frustrations.

**Patients will not understand legislative change and assume it is the pharmacy ripping them off.**

– Hawkes Bay

**Customers are easily offended when money is discussed and we know the shame it can cause when this happens in a busy pharmacy with other people around.**

– Taranaki

**A return would increase the level of abuse our staff receive and this will lead to stress, burn out and staff leaving.**

– Hawkes Bay

<sup>9</sup>

McAllister, J. (2023.) "It is devastating": 'Patient co-payment' prescription fees and their effect on communities, as witnessed by community pharmacists. Independent Community Pharmacy Group and Prescription Access Initiative. NZ.

## FINAL REMARKS

**Patient reaction [to universal fees removal] has varied from visit to visit, but all very positive/grateful. We have had tears of joy and gratitude, smiles, hugs and disbelief.**

– Wellington

**It is clear from our survey that without prescription fees, Aotearoa New Zealand has demonstrably better, more equitable healthcare.**

**Without co-payment hassles we have been able to see the wood for the trees and we dread having to go back to collecting them again.**

– Northland

Community pharmacists and pharmacy staff throughout the country are horrified that vital pharmacy healthcare is in grave jeopardy. ICPG and PAI urge the Government to reconsider their plans to introduce fees, given the fresh evidence presented here of the positive effects that universal fees-free prescriptions have on primary healthcare and communities; and the blight which a targeted prescription fees regime would represent to healthcare in Aotearoa New Zealand.

**Thank you  
for reading**