

White Paper

Implications of the Introduction of 60-Day Prescribing in Australia



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Introduction

In April 2023, the Commonwealth Health Minister, Mark Butler MP, announced reforms to the PBS which will increase the maximum dispensed quantity for 325 medicines for chronic diseases from 30 days to 60 days¹. This reform was announced as a measure to ease cost of living pressures by reducing patient spending on medicines, as a 60-day prescription will be dispensed at the same price as patients currently pay for a 30-day prescription¹. Pharmacists will receive a single dispensing fee for a 60-day prescription equal to the dispensing fee for a 30-day prescription.

The medicines list for 60-day prescribing was approved by the Pharmaceutical Benefits Advisory Committee (PBAC) in December 2022², and includes more medicines than PBAC's 2018 recommendation for 60-day prescribing³. The implementation of 60-day prescribing will occur in three tranches, (September 2023, March 2024 and September 2024)⁴, with the first tranche comprising 92 medicines for the treatment of cardiovascular disease, hypertension, heart failure, hypercholesterolemia, osteoporosis, gout, Crohn's disease and ulcerative colitis⁵.

This reform will impact patients, prescribers, pharmacists, pharmaceutical wholesalers and pharmaceutical manufacturers differently. In the short-term, demand patterns for pharmaceuticals will be affected. The impact of this reform on the pharmaceutical sector will be shaped by the extent and rate at which this new prescribing option is adopted. Consequently, IQVIA has undertaken a survey of 200 general practitioners across Australia to understand their perceptions of this reform and their intentions to utilise 60-day prescribing. Further, IQVIA has conducted a basket analysis of co-purchases of consumer health products alongside prescriptions for medicines impacted by 60-day prescribing in retail pharmacies to evaluate the consumer health product categories most likely to be impacted by reductions in retail pharmacy foot traffic.

Key insights

GPs are supportive of 60 day prescribing

Awareness and support amongst general practitioners for the introduction of 60-day prescribing for selected medicines for chronic diseases is generally high, with a majority intending to adopt 60-day prescribing across all surveyed chronic conditions, albeit gradually.

Mixed billing GPs have a higher intended uptake of 60-day prescribing

GPs that operate mixed billing practices exhibited a greater intention to adopt 60-day prescribing than bulk billing GPs, both overall and for specific indications.

GPs intend to issue 60-day prescriptions for patients with highly prevalent conditions

For conditions with high prevalence (i.e hypertension, hypercholesterolemia & osteoporosis), over 75% of surveyed prescribers expressed an intention to issue longer prescriptions, and for these prescribers, they intended to do so for a significant fraction of their patients (>78%).

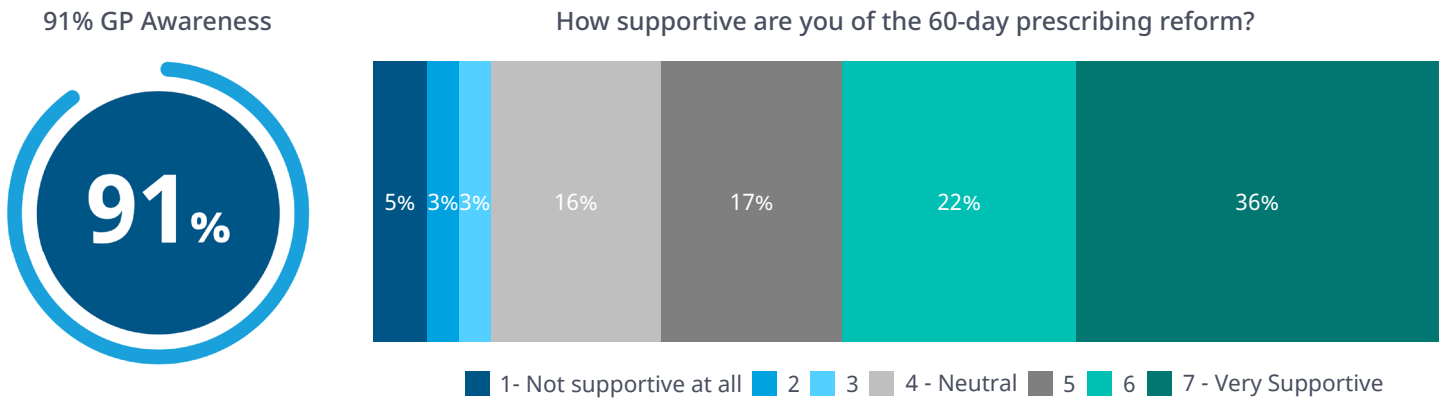
Medicines affected by 60-day prescribing are a significant fraction dispensations

With a considerable portion of retail pharmacy transactions comprised solely of prescriptions for medicines affected by 60-day prescribing, it is anticipated that the reform will have a notable impact on retail pharmacy foot traffic and the co-purchasing of consumer health products.

Awareness and perception of the reform

Awareness of the announcement of 60-day prescribing was high, 91% of GPs surveyed, and the majority of GPs expressed support for the changes (Figure 1). 10% of GPs were not supportive of the reform, and 58% of GPs indicated high levels of support for the changes (scores of 6 or 7 out of 7).

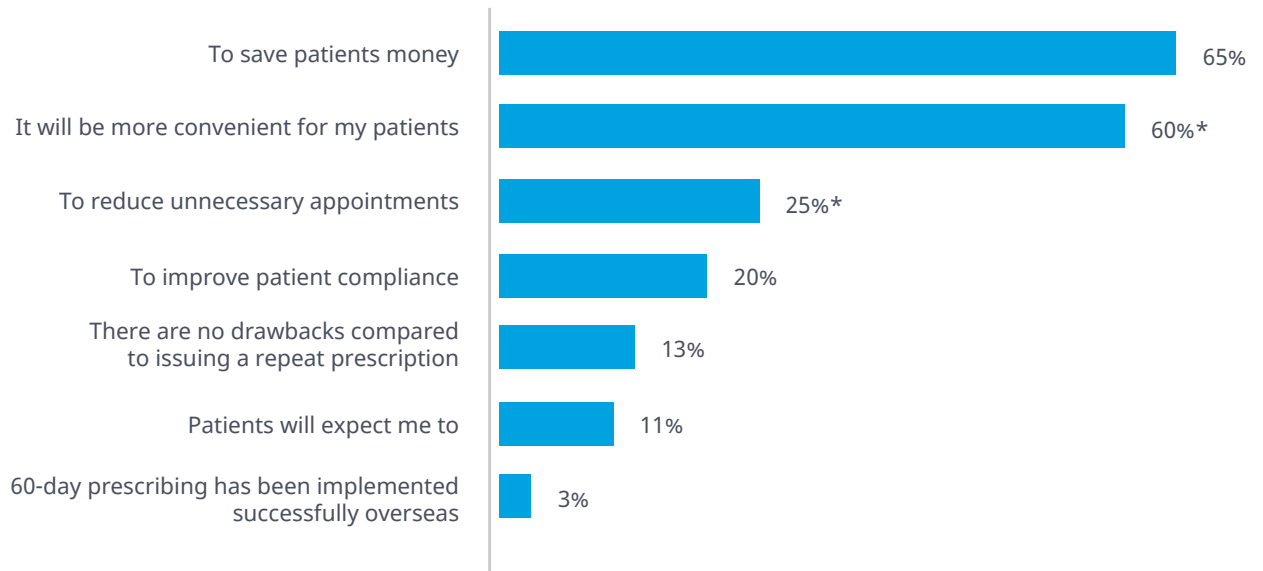
Figure 1: Surveyed general practitioner awareness and perception of 60-day prescribing reforms



Patient savings and patient convenience were the primary motivations for the desire to issue 60-day prescriptions (Figure 2). Moreover, when responses from rural GPs were compared with metro GPs, it was observed that a higher proportion of rural GPs cited convenience and a reduction in unnecessary appointments as reasons they would issue

60-day prescriptions. When asked to agree with statements related to 60-day prescribing (Table 2), more mixed-billing GPs than bulk billing GPs agreed that the reform would offer convenience for their patients, and more bulk billing GPs (38%) reported their patients were forgoing medicines due to cost than mixed-billing GPs (27%).

Figure 2: Surveyed general practitioner responses to the question "What are the top 2 reasons you would expect to issue a 60-day prescription?"



*GPs in regional/rural areas are more likely to have identified convenience (66%) and reducing unnecessary appointments (34%) as the main drivers for 60-day prescribing compared to GPs in metro areas (58% and 22%, respectively).

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While most GPs expressed an intention to gradually incorporate 60-day prescribing into their practices

(62%; Figure 3), at least one-sixth of GPs expressed a strong intention to issue 60-day prescriptions as soon as possible (17%; score 6 & 7 out of 7). GPs in rural and regional areas, and GPs in mixed billing practices, expressed a stronger intention to use 60-day prescribing as soon as possible (27% and 19%, respectively).

Figure 3: Surveyed general practitioner intentions to utilise 60-day prescribing options

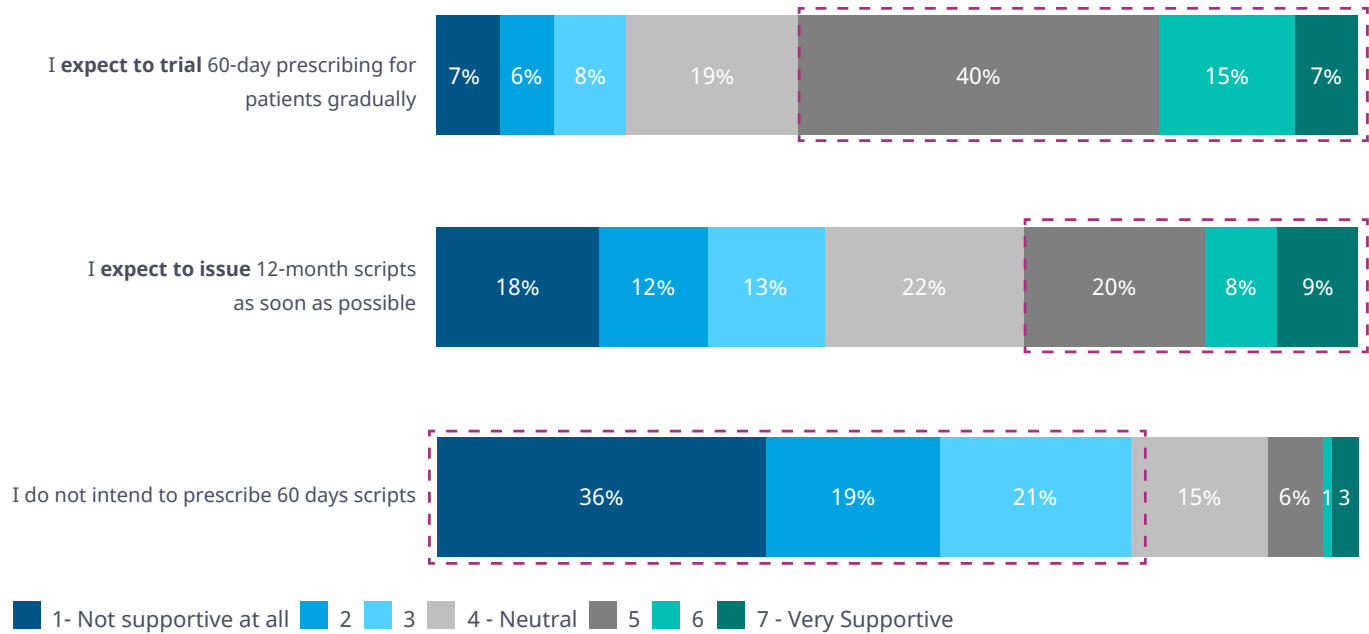


Table 2: Reasons for general practitioners to issue 60-day prescriptions (prompted)

TOTAL STRONG AGREEMENT (6 & 7 OUT OF 7; %)		
Bulk billing (n=50)	Mixed Billing (n=150)	
66%	70%	60-day prescribing will be more convenient for my patients
38%	27%	Many of my patients forgo medicines for chronic conditions due to cost
46%	35%	60-day prescribing will not change the frequency with which I review patients' treatments for chronic diseases

Given the larger fraction of bulk billing GPs reporting patients forgoing medicines due to cost (Table 2), it is somewhat surprising that the intended uptake of 60-day prescribing is slightly lower amongst this cohort. Nonetheless, these findings indicate the potential for rapid uptake of this prescribing option once it becomes available to GPs. Furthermore, with more than three-quarters of GPs responding negatively to the statement 'I do not intend to

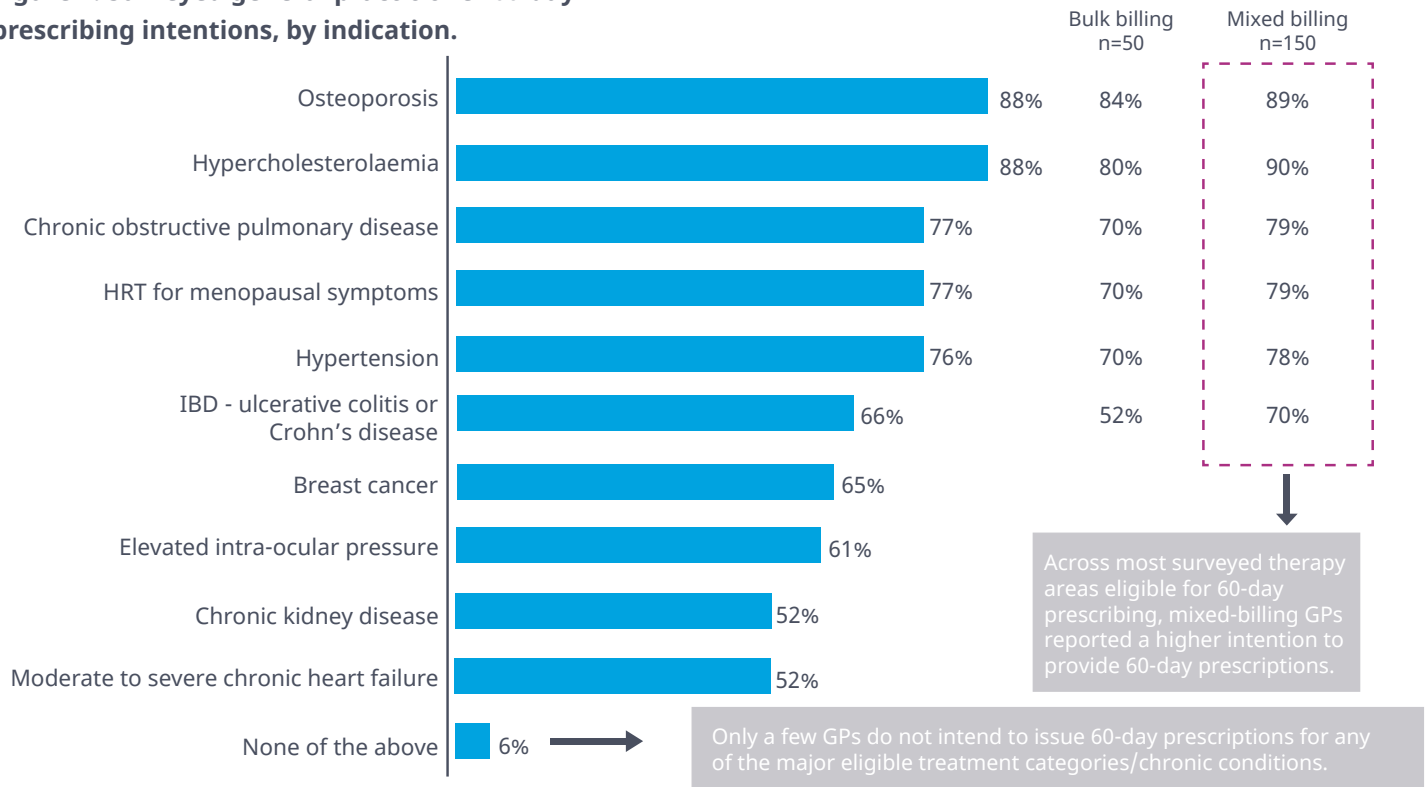
issue 60-day scripts', it is evident that there is broad support amongst GPs for this new prescribing option.

Across a wide expanse of the chronic disease therapy areas impacted by this reform, the majority of surveyed GPs expressed an intention to issue 60-day prescriptions. As with the overall trend, intentions to issue 60-day prescriptions were generally higher amongst mixed-billing GPs. For

five of the surveyed therapy areas, namely osteoporosis, hypercholesterolemia, COPD, management of menopause and hypertension, more than three-quarters of GPs expressed an intention to issue 60-day prescriptions.

Moreover, for the GPs that expressed an intention to prescribe across all the therapy areas listed in Figure 4, on average they reported that 78% or more of their patients would be provided with 60-day prescriptions.

Figure 4: Surveyed general practitioner 60-day prescribing intentions, by indication.



Pharmacy co-purchasing impact

The 325 medicines impacted by 60-day prescribing make up approximately 65% of prescription items dispensed in retail pharmacies. IQVIA's basket analysis revealed that 46% of all prescription transactions within retail pharmacy consist solely of these prescription items. The impact of 60-day prescribing on foot traffic at retail pharmacies will be influenced by two key factors: the rate at which general practitioners adopt this practice and the proportion of affected patients who do not also have prescriptions for medications unaffected by 60-day prescribing. A reduction in the frequency of pharmacy visits by consumers offers fewer opportunities for impulse purchases or additional product recommendations, thereby negatively impacting the sales volume and revenue generated through consumer health co-purchases. An analysis of co-purchases with the 325 medicines eligible for

60-day prescriptions revealed that 19% of these transactions include a consumer health product. The top categories for co-purchases were pain management (27%), respiratory (16%), vitamins, minerals and supplements (14%), gastroenterology (11%) and eyecare (7%).

Changes in the volume and mix of consumer health purchases in retail pharmacies because of 60-day prescribing, as well as increasing pressure from grocery and convenience stores, may impact pricing strategy for retailers. Pharmacists will rely on their supplier partners to inform their pricing strategy to balance margins and customer loyalty, and in turn, suppliers will need to possess a comprehensive understanding of the price elasticity for each category and product to effectively meet the market dynamics.

IQVIA can help you respond

The implementation of this reform will have wide and varied impacts across the pharmacy sector and the pharmaceutical supply chain. IQVIA is uniquely positioned to assist clients to

plan and monitor their responses to this market change with proprietary market data, forecasting and advanced analytics capabilities.

Below is a sample of key questions IQVIA can solve for your business.



PHARMACEUTICAL MANUFACTURERS

IQVIA can work with pharmaceutical manufacturers to develop solutions to the following questions:

- How can I assess the anticipated behaviour of prescribers for the affected products and forecast changes in short-term demand?
- What inventory will wholesalers need to respond to the implementation of these changes?
- How will pharmacy inventory be adjusted in preparation for this reform?
- How much additional demand should be accounted for?
- How can originator brands respond to short-term changes in demand?



CONSUMER HEALTH

IQVIA can work with consumer health leaders to develop solutions to the following questions:

- How will this reform affect customer volume and purchasing behaviours in pharmacies?
- Which product categories and brands will experience the most significant impact?
- What is the price elasticity for the affected brands and how will it influence consumer behaviour?
- Which customers are at risk of switching to alternative channels because of these reforms?



PHARMACY BANNERS

IQVIA can work with pharmacy banners to develop solutions to the following questions:

- What levels of inventory do we need?
- How can we avoid short-term out of stocks?
- What impact will fewer customer visits have on non-pharmaceutical sales?
- How will these reforms affect outlet-level revenue?

Appendix A – 60-day prescription medicines

Table 1: Indications and medication classes impacted by 60-day prescribing

Indication	Medication Classes
Hypertension	ACE inhibitors, calcium channel blockers, beta-blockers, alpha-blockers, diuretics, vasodilators, angiotensin receptor blockers
Moderate to severe or chronic heart failure	ACE inhibitors, beta-blockers, alpha-blockers, diuretics, vasodilators, angiotensin receptor blockers, HCN channel blockers, angiotensin receptor neprilysin inhibitors
Hypercholesterolaemia	Statins, cholesterol absorption inhibitors
Ulcerative colitis or Crohn's disease	Aminosalicylates
Chronic obstructive pulmonary oedema	Inhaled corticosteroids, long-acting muscarinic antagonists, long-acting beta agonists
Menopause symptoms	Systemic or localised hormone treatments
Osteoporosis	Bisphosphonates
Elevated intra-ocular pressure	Carbonic anhydrase inhibitors, prostaglandin analogues
Chronic kidney disease	Phosphorous binders
Breast / endometrial cancer	Nonsteroidal aromatase inhibitors
<i>Asthma</i> [^]	<i>Inhaled corticosteroids</i> [^] , <i>long-acting muscarinic antagonists</i> [^] , <i>non-steroidal preventer</i> [^] , <i>antagonists</i> [^] , <i>long-acting beta agonists</i> [^]
<i>Constipation</i> [^]	<i>Bisacodyl, Macrogol</i>
<i>Depression</i> [^]	<i>Tricyclic antidepressants</i> [^] , <i>SSRI</i> [^] , <i>SNRI</i> [^]
<i>Diabetes</i> [^]	<i>Biguanide</i> [^] , <i>sulfonylurea</i> [^] , <i>DPP-4</i> [^] , <i>SGLT2 inhibitors</i> [^] , <i>GLP-1 agonists</i> [^] , <i>alpha-glucosidase inhibitors</i> [^]
<i>Endometriosis</i> [^]	<i>Progestins, GnRH agonist</i>
<i>Epilepsy</i> [^]	<i>Anticonvulsants</i> [^]
<i>Gout</i> [^]	<i>Xanthine oxidase inhibitors</i> [^]
<i>Parkinson disease</i> [^]	<i>Dopamine agonist</i> [^] , <i>adamantanes</i> [^] , <i>AAADIs</i> [^]

[^] not included in the 2018 PBAC recommendations: italics: not included in the MediBus survey

Appendix B – Methodology

IQVIA's MediBus survey in May 2023 invited 200 general practitioners (GPs) across Australia to respond to questions on their knowledge of the reform and their intentions to issue 60-day prescriptions. GPs were surveyed on their likelihood of prescribing across the key therapy areas and drug classes covered by the reform. The drug classes and therapy areas covered in this survey were based on the 2018 PBAC recommendations for 60-day prescribing.

Basket analysis was conducted on a sample of more than 115 million retail pharmacy transactions in Australia from January 2022 to December 2022 to determine the fraction of baskets with a dispensation for a medicine eligible for 60-day prescription (full PBAC 2022 list) and the fraction of baskets for which the only dispensation was for a medicine eligible for a 60-day prescription. For baskets in which the only dispensation was for a medicine eligible for a 60-day prescription, the frequency of customer co-purchases and the product categories represented by these co-purchases were evaluated.

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