Matter name:	Juno & Ors – Application for authorisation
Date & Time:	3:30pm Monday 14 February 2022
External attendees:	Chris Flood, Lisa Todd – The Pharmacy Guild of Australia
ACCC participants:	Sophie Mitchell, Susie Black, Peter Gray, Andrew Ng

The Pharmacy Guild's comments on the application for authorisation are summarised below:

- There are 3 types of pharmacies that dispense PBS medicines: (1) community pharmacies; (2) public hospital pharmacies; and (3) private hospital pharmacies.
- Public hospital pharmacies can only dispense to public hospital patients. Private hospital pharmacies have more flexibility depending on whether they are approved under s94 or s90 of the *National Health Act*.
- Community pharmacies will generally not keep stock of Revlimid and Pomalyst unless they have patients on these medicines as Revlimid and Pomalyst are expensive and not commonly used. The majority of prescriptions for Revlimid and Pomalyst are in the public hospital system.
- As Revlimid and Pomalyst are Highly Specialised Drugs (HSDs), they are usually initiated by specialists in hospitals or specialist clinics.
- HSDs written in public hospitals can only be dispensed at a public hospital whereas prescriptions written in the private sector can be dispensed at a private hospital or community pharmacy.
- While original private hospital prescriptions may be dispensed at a hospital, repeats may be collected from a community pharmacy as more convenient, particularly for patients who have to travel to another town/city to attend the specialist. For such specialty medicines, the community pharmacy will usually order stock just for that patient.
- Higher cost drugs take a lot longer to reduce in price as a result of discounting. The volume of patients is not there – therefore, there is no economies of scale that they can absorb at the wholesale level.
- There are deeper price reductions when there are multiple generics that enter at the same time.
- Pharmacies can discount a co-payment up to $1.00. It will make no difference whether it is a generic or branded product, the maximum discount is the same.
- Pharmacies are remunerated at the official dispensed price. If they are able to negotiate a discount with the manufacturer below that price, they are still entitled to the official dispensed price. It is a temporary discounting opportunity – the Government collects the actual prices paid by pharmacies and adjusts the official prices accordingly (6-month cycle).
- From experience, there can be many products on the ARTG that never launch.
- HSDs are not part of the Community Service Obligation which means pharmacy wholesalers do not need to supply these medicines. It is not uncommon for HSDs to have exclusive supply arrangements with distributors. A challenge for pharmacies is finding out how to order these drugs. If a generic entered with a simpler ordering system, that could incentivise a switch as well.
- The generics will often offer incentives to pharmacies to stock their items and that contributes to the price disclosure reductions. From the pharmacy's perspective there may be some financial benefits to dispensing the generic if the items are a-flagged and substitution has not been disallowed by the prescriber.

- If there is a brand premium on the originator, there is a benefit for pharmacies and patients to dispense the benchmark item. If there is no brand premium, the benefits will be the discounts offered by the generic. However, considering there are a small number of pharmacies stocking these drugs, the benefits will be relative.