### **WPC MEMBER SURVEY - Funding & Payment Structures**

#### **RESPONSE - IRELAND**

### INTRODUCTION

This survey is designed to provide WPC members with a better understanding of funding and formal payment structures for community pharmacy in each WPC country. This includes payments for dispensing, payments for pharmacy services, and other general or specific purpose payments that are specific to community pharmacy.

The survey does not seek to collect specific fee levels or payment amounts. The focus is on the structure and types of payments, and on what is paid for by each funding stream, and on the relative significance of each component. The focus is not on comparing funding levels or fee amounts.

In some countries the funding arrangements may vary significantly between states, regions or funders. This survey is not intended to capture every variation. As far as possible, please provide the most appropriate answer in a national context.

The results of this survey will not be made public. Findings will be distributed only to WPC members only, for your internal use.

Responses, and any questions relating to this survey, should be emailed to the WPC Chief Economist at stephen.armstrong@worldpharmacycouncil.org. If possible, responses would be appreciated by 31 March 2021. Thank you.

### **DEFINITIONS**

To guide your completion of this questionnaire, please read the following definitions.

Fee-for service payments

Fee-for-service payments have traditionally been the most common types of payments in the community pharmacy context (and also in most other healthcare settings) and are an amount paid per occasion of service.

Capitation-style payments (including casemix or bundled payments)

Capitation-style payments are those calculated based on the number of patients (and/or the types of patients, as in a casemix model) rather than on the number of occasions of service. Capitation-style payments may be bundled payments that cover more than one service type (this may also be the case with outcomes-based payments or lump-sum payments).

Outcomes-based payments (including performance-based or value-based payments)

In an outcomes-based model, payments (or payment levels) depend on defined measures of performance, benchmarks or targets. These may include direct or indirect measurements of patient outcomes, or metrics related to quality.

### Lump sum payments per pharmacy

Lump sum payments are amounts per pharmacy paid at regular intervals (eg. monthly, quarterly or annually) to either all pharmacies or particular groups of eligible pharmacies. Lump sum payments differ from Capitation-style or Outcome-based payments in that the amounts are not related to the number of patients serviced or to any specific performance measure. Examples of lump sum payments include payments made to all registered pharmacies, or to all pharmacies that are registered for a particular program. The amount of lump sum payments may vary from pharmacy to pharmacy based on certain criteria (but will not vary directly in proportion to service volume, as that would make it a fee-for-service).

### Section 1 - Dispensing

Fees and other payments for dispensing are those amounts that are additional to the cost price of the medicine, and represent a gross profit margin on the dispensing service.

Please note that this question is <u>not</u> referring to the pharmacy's purchase price of the medicine. It is referring only to amounts additional to the purchase price, that are intended to ensure the viability of the dispensing service.

### Question 1.1 - Through what process(es) are fees and/or other payments for dispensing determined? (please select all that apply):

Select those that apply	Method for determining fee or payment level for dispensing
$\boxtimes$	Regulation/legislation
$\boxtimes$	Formal negotiation at a national, state or regional level
	Analysis of the cost of dispensing
	Commercial negotiation between individual pharmacies (or groups of pharmacies) and the payer
$\boxtimes$	Consumer-focused competition
	Other (please specify):

## Question 1.2 – What is/are the most common fee or payment structure(s) for <u>dispensing</u> in your country? (please select all that apply):

Select all that apply	Fee or payment structure for dispensing
$\boxtimes$	Flat fee(s) per item dispensed (this may include additional amounts for specific categories of drugs)
	Differential fees depending on whether the dispensing is an original (first-time or acute) or repeat (refill)
	Differential fees depending on the total number of items dispensed on one occasion
$\boxtimes$	Differential fees depending on the total number of items dispensed annually by the pharmacy
	Differential fee depending on the period of treatment dispensed (for example, higher fees for more than one month's quantity)
	Specific fee or differential fee for generic substitution or dispensing a generic medicine
	Mark-up or margin on the cost price of the medicine
	Capitation-style payments (including casemix or bundled payments)
	Outcomes-based payments (including performance-based or value-based payments)
	Lump sum payments per pharmacy (not linked to prescription numbers, patient numbers or to outcomes, performance or value)
	Unregulated or semi-regulated fees/charges/surcharges paid by patients
	Other (please specify):

### Question 1.3

In relation to <u>dispensing</u>, are different payment structures or levels applicable for specific types of pharmacy (only include those pharmacies supplying to the community, not hospital pharmacies), such as those listed below?

Distance-selling or internet/mail-order pharmacies	$\boxtimes$	No	
		Yes (please briefly describe):	
Centralised or hub-and-spoke dispensing models	$\boxtimes$	No	
		Yes (please briefly describe):	
Rural or remote location pharmacies	$\boxtimes$	No	
		Yes (please briefly describe):	
Pharmacies servicing care facilities for aged people	$\boxtimes$	No	
		Yes (please briefly describe):	
Specialised pharmacies	$\boxtimes$	No	
		Yes (please briefly describe):	
	1	$ \Longrightarrow$	
Other (please specify):	$\boxtimes$	No	
		Yes (please briefly describe):	
		$ \Longrightarrow$	

#### Question 1.4

Please briefly describe the market situation with regard to purchasing of <u>prescription-only medicines</u> by pharmacies. Specifically, please briefly cover the following points:

• What, if any, regulations exist with regard to the purchase price of prescription-only medicines?

The reimbursement price of medicines and medical devices, nutritional products that are reimbursable under community drug schemes is outlined in the HEALTH (PRICING AND SUPPLY OF MEDICAL GOODS) ACT 2013.

(http://www.irishstatutebook.ie/eli/2013/act/14/enacted/en/html) . "ingredient cost", in relation to a medicinal product, means the cost of the product arrived at by adding together— (a) the ex-factory price of the product, and (b) the wholesale mark-up (if any) of the product. These prices are set under S.I. No 300 of 2011 HEALTH PROFESSIONALS (REDUCTION OF PAYMENTS TO COMMUNITY PHARMACY CONTRACTORS) REGULATIONS 2011(http://www.irishstatutebook.ie/eli/2011/si/300/made/en/pdf) — which outlines the following: "ingredient cost" means— (a) in the case of fridge items, the ex-factory price together with a wholesale mark-up of 12 per cent, and (b) in the case of any other drug item, the ex-factory price together with a wholesale mark-up of 8 per cent; "reimbursement price", with respect to a particular non-drug item at a particular time, means the amount specified by the Health Service Executive in the list of reimbursable items which is published on its website;

Is there a regulated cap or limit on the amount of purchasing margin made/retained by pharmacies?

#### No

• Are reimbursement prices regularly reviewed in response to changes in market prices?

Not currently reviewed in responses to market prices but a process is in place to review prices at a set time i.e. when a product comes off patent and then at its anniversary, prices are based on EU basket prices. The detail of this process is set out in the HEALTH (PRICING AND SUPPLY OF MEDICAL GOODS) ACT 2013. (<a href="http://www.irishstatutebook.ie/eli/2013/act/14/enacted/en/html">http://www.irishstatutebook.ie/eli/2013/act/14/enacted/en/html</a>) and the agreement in place with pharmaceutical suppliers called the IPHA agreement – Framework agreement on the supply and pricing of medicines <a href="https://www.hse.ie/eng/about/who/cpu/iphaagreement2016.pdf">https://www.hse.ie/eng/about/who/cpu/iphaagreement2016.pdf</a>, this agreement is currently under review.

• Does the government (or do other third party payers) conduct a competitive process amongst drug manufacturers to determine prices and/or which products are available to be funded?

Yes the IPHA agreement as mentioned above – is currently in place since 2016 was due for renewal after 4 years but delay at moment due to pandemic but progress is being made at present to renegotiate this agreement. <a href="https://www.hse.ie/eng/about/who/cpu/about.html">https://www.hse.ie/eng/about/who/cpu/about.html</a>

### Question 1.5

Questions 1.1 to 1.4 provided a high level overview of funding arrangements for dispensing. If you think other details would be useful to WPC members to allow a better overall understanding of your country's funding model for dispensing, please provide further details below:

Separate arrangements are in place for dispensing of high tech medicines and for methadone dispensing. High tech arrangement is a monthly patient care fee and patients are linked to one pharmacy only. The methadone scheme has a patient care fee and then a per item dispensed fee so more mixed model.

Please continue to Section 2 below.

### Section 2 - Payments for services <u>related</u> to dispensing/supply

This section relates to payments received for add-on or associated services that are <u>related</u> to individual occasions of dispensing/supply.

Question 2.1 - please complete the table below

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
1: Compliance aids/packagin g	☐ Government ☐ Insurer ☑ Patient ☐ None/Not applicable ☐ Other (specify):	Fee-for service  Capitation -style  Outcomes -based  Lump sum	☐ Regulation/legislation   ☐ Formal negotiation   at a national, state   or regional level      Negotiation	No  Yes (please describe) :

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
2: Home delivery of prescription medicines	☐ Government ☐ Insurer ☐ Patient ☑ None/Not applicable ☐ Other (specify):	Fee-for service  Capitation -style  Outcomes -based  Lump sum	□ Regulation/legislation  □ Formal negotiation at a national, state or regional level  □ Negotiation between individual pharmacies (or groups of pharmacies) and the payer  □ Consumer-focused competition  □ Other (please specify):  ➡	□ No □ Yes (please describe) : ⇒

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
3: Staged supply (supply in instalments)	Government Insurer Patient None/Not applicable Other (specify):	Fee-for service  Capitation -style  Outcomes -based  Lump sum	Regulation/legislation n  Formal negotiation at a national, state or regional level  Negotiation between individual pharmacies (or groups of pharmacies) and the payer  Consumer-focused competition  Other (please specify):	No  Yes (please describe) :

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
4: Prescription renewal or extension	☐ Government ☐ Insurer ☐ Patient ☑ None/Not applicable ☐ Other (specify):	Fee-for service  Capitation -style  Outcomes -based  Lump sum	□ Regulation/legislation  □ Formal negotiation at a national, state or regional level  □ Negotiation between individual pharmacies (or groups of pharmacies) and the payer  □ Consumer-focused competition  □ Other (please specify):  ➡	□ No □ Yes (please describe) : ⇒

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
5: Prescription adaption (eg. pharmacist- initiated change of dosage or formulation)	☐ Government ☐ Insurer ☐ Patient ☑ None/Not applicable ☐ Other (specify):	Fee-for service  Capitation -style  Outcomes -based  Lump sum	☐ Regulation/legislation   ☐ Formal negotiation   at a national, state   or regional level   ☐ Negotiation   between individual   pharmacies (or   groups of   pharmacies) and   the payer   ☐ Consumer-focused   competition   ☐ Other (please   specify):   ➡	□ No □ Yes (please describe) : ⇒

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
6: Refusal to dispense ("non- dispensing")	Government Insurer Patient None/Not applicable Other (specify):	Fee-for service  Capitation -style  Outcomes -based  Lump sum	Regulation/legislation n  Formal negotiation at a national, state or regional level  Negotiation between individual pharmacies (or groups of pharmacies) and the payer  Consumer-focused competition  Other (please specify):	No  Yes (please describe) :

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
7: Other dispensing- related services (please specify and add rows as needed)	Government   Insurer   Patient   None/Not applicable   Other (specify):   http://www.irishstatutebook.ie/eli/2019/si/639/made/en/pdf   This reference highlights all the fees payable under the community drug schemes	Fee-for service  Capitation -style  Outcomes -based  Lump sum	Regulation/legislation n  Formal negotiation at a national, state or regional level  Negotiation between individual pharmacies (or groups of pharmacies) and the payer  Consumer-focused competition  Other (please specify):	No  Yes (please describe) :

### Section 3 - Payments for other services

This section covers payments for services that are <u>not</u> specifically related to individual episodes of dispensing.

Question 3.1 - Please complete the table below

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
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1: Medication manageme nt or medication review services	☐ Government ☐ Insurer ☐ Patient ☑ None/Not applicable ☐ Other (specify):	Fee-for service  Capitatio n-style  Outcome s-based  Lump sum	□ Regulation/legisla tion   □ Formal negotiation at a national, state or regional level   □ Negotiation between individual pharmacies (or groups of pharmacies) and the payer   □ Consumer focused competition   □ Other (please specify):   ⇒
2: Chronic disease manageme nt services	☐ Government ☐ Insurer ☐ Patient ☐ None/Not applicable ☐ Other (specify):	Fee-for service  Capitatio n-style  Outcome s-based	□ Regulation/legisla tion   □ Formal negotiation at a national, state or regional level   □ No   □ Yes (please describ e): ⇒

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
		Lump	individual pharmacies (or groups of pharmacies) and the payer  ☐ Consumer-focused competition  ☐ Other (please specify): ☐ ➡	

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3: Services relating to public health, OTC medicine supply and/or common (minor)	☐ Government ☐ Insurer ☐ Patient ☑ None/Not applicable ☐ Other (specify):	Fee-for service  Capitatio n-style  Outcome s-based	Regulation/legisla tion  □ Formal negotiation at a national, state or regional level  □ Negotiation	
illness		Lump	between individual pharmacies (or groups of pharmacies) and the payer	
			Consumer- focused competition	
			☐ Other (please specify): ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
4: Vaccination services	<ul><li>☑ Government</li><li>☐ Insurer</li></ul>	Fee-for service	Regulation/legisla   No tion   Yes	
	Patient None/Not	Capitatio n-style	Formal (pleas negotiation at a national, state or e):	
	applicable  Other (specify):	Outcome s-based	regional level ⇒	
			between	

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
	Link to fees for Influenza vaccination fee https://www.hse.ie/eng/about/who/gmscontracts/2019agreement /pharmacy-circular-nco-12-2020.pdf  Link to fees for COVID-19 vaccination fee https://www.hse.ie/eng/about/who/gmscontracts/2019agreement /circular-to-pharmacists-vaccination-programme-nco-03- 2021.pdf	Lump	individual pharmacies (or groups of pharmacies) and the payer  Consumerfocused competition  Other (please specify):	

5: Pharmacist prescribing (in a community pharmacy setting)	☐ Government ☐ Insurer ☐ Patient ☑ None/Not applicable ☐ Other (specify):	☐ Fee-for service ☐ Capitatio n-style ☐ Outcome s-based ☐ Lump sum	□ Regulation/legisla tion   □ Formal negotiation at a national, state or regional level   □ Negotiation between individual pharmacies (or groups of pharmacies) and the payer   □ Consumer-focused competition   □ Other (please specify):   □ Other (please specify):	□ No □ Yes (please describ e): □ □ □
6: Consultations (not covered by one of the categories above)	<ul> <li>☐ Government</li> <li>☐ Insurer</li> <li>☐ Patient</li> <li>☐ None/Not applicable</li> <li>☐ Other (specify):</li> </ul>	Fee-for service  Capitatio n-style  Outcome s-based	Regulation/legisla tion  Formal negotiation at a national, state or regional level  Negotiation between	<ul><li>No</li><li>Yes (please describ e):</li><li>⇒</li></ul>

Service	What is/are the fee or payment sources for this service? (please select all that apply)	What type(s) of fee/payment are applicable for this service? (refer to definitions at the start of this document)	How are the levels of fees/payments determined? (please select all that apply)	Are payments for this service capped (limited) in any way, eg. on a national or a per pharmacy basis? If so, please briefly describe this arrangement.
	Payment per provision of emergency hormonal contraception service without a prescription from a general practitioner €11.50 plus dispensing fee as applicable – payment even if supply of EHC is not deemed appropriate	Lump	individual pharmacies (or groups of pharmacies) and the payer  Consumerfocused competition  Other (please specify):	

7: Other services (please specify and add rows as needed)	(specify):	Fee-for service  Capitatio n-style  Outcome s-based  Lump sum	<ul> <li>☐ Regulation/legisla tion</li> <li>☐ Formal negotiation at a national, state or regional level</li> <li>☐ Negotiation between individual pharmacies (or groups of pharmacies) and the payer</li> <li>☐ Consumer-focused competition</li> <li>☐ Other (please specify):</li> </ul>	□ No □ Yes (pleas descre): □ □
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# Section 4 - Payments not relating to specific services (including payments relating to quality, standards or pharmacy accreditation)

This section relates to any other fees or payments made to some or all community pharmacies as part of formal arrangements, which are not specifically related to dispensing or to other services. These may include, but are not limited to, payments relating to staff training, records, compliance with premises standards or other general quality measures. It may also include payments for specific groups of pharmacies, such as those in rural areas.

Under each of the following headings, please briefly describe any fees or payments that are not related to dispensing or to other services (and therefore have not been covered in earlier sections). If there are no payments in the category, simply write "None".

### Question 4.1 - Please complete the table below

Type of payment	Description(s) and payment source(s) (only include significant payments that have not been included in previous sections)
Capitation-style payments (including casemix or bundled payments)	Only exception not mentioned is for dispensing to a doctor on a stock order form that us a mark up model i.e. 20% if ingredient cost <a href="http://www.irishstatutebook.ie/eli/2019/si/639/made/en/pdf">http://www.irishstatutebook.ie/eli/2019/si/639/made/en/pdf</a>
Outcomes-based, performance-based or value-based payments	

Type of payment	Description(s) and payment source(s) (only include significant payments that have not been included in previous sections)
Lump sum payments per pharmacy, including establishment or infrastructure payments or subsidies (such as for IT, automation, consultation infrastructure and staff training)	Pharmacies can claim a grant of up to €6,350 for costs incurred for adapting premises to facilitate methadone dispensing. This can be claimed once and then again after 6 years if more improvements are need.
(Note: Lump sum payments may include payments that vary from pharmacy to pharmacy based on certain criteria, but not in direct proportion to service volume)	Training grant maximum allowed yearly per pharmacy contractor is €1,270 only can used against agreed courses <a href="https://ipu.ie/wp-content/uploads/mediavault/2016/12/HSE-PCRS-Circular-004.16-re-Pharmacy-Training-Grant-23Feb16.pdf">https://ipu.ie/wp-content/uploads/mediavault/2016/12/HSE-PCRS-Circular-004.16-re-Pharmacy-Training-Grant-23Feb16.pdf</a>

### Section 5 - Relative size of funding components

### **Question 5.1**

Of all of the fees and other payments that you have listed in this document, please list the top five in order of value for a typical community pharmacy in your country. For example, a list may be (1) dispensing fees, (2) payments for medication reviews, (3) outcomes-based quality payments, etc.

In the right hand column, please provide your best estimate of the proportion of overall third-party funding (government and insurer) each of the listed fees or payments represents for a typical (average) community pharmacy. A rough estimate will be fine, as this is only to provide a guide as to the relative importance of each fee/payment.

Rank	Fee or payment name	Approximate or estimated percentage of overall Government and other Third Party funding represented by this fee or payment*
1	Dispensing fees	50%
2	High Tech Patient Care Fee	7%
3	Methadone Higher and Lower Patient Care Fee	5%
4	Vaccination	2%

5	Pharmacy Training Grant	0.2%

### Section 6 – Process for review, adjustment or indexation of payments

### Question 6.1

As briefly as possible, please describe any process that exists to review, adjust or index the amounts paid **for the top five services you listed in the previous question**. Examples may include, but are not limited to:

- Renegotiation after a set period of time
- Annual adjustment based on an inflation measure
- Adjustment within a fixed or pre-determined pool of funding

Fee or payment number corresponding to your Question 5.1 response	Method of review or adjustment for amounts paid	
1	$\boxtimes$	Renegotiation after a set period of time
		Annual adjustment based on an inflation measure
		Adjustment within a fixed or pre-determined pool of funding
	Other, a	nd/or further details:
2	$\boxtimes$	Renegotiation after a set period of time
		Annual adjustment based on an inflation measure
		Adjustment within a fixed or pre-determined pool of funding
	Other, a	nd/or further details:
3		Renegotiation after a set period of time

Fee or payment number corresponding to your Question 5.1 response	Method of review or adjustment for amounts paid		
		Annual adjustment based on an inflation measure	
		Adjustment within a fixed or pre-determined pool of funding	
	Other, a	nd/or further details:	
4	$\boxtimes$	Renegotiation after a set period of time	
		Annual adjustment based on an inflation measure	
		Adjustment within a fixed or pre-determined pool of funding	
	Other, a	nd/or further details:	
5	$\boxtimes$	Renegotiation after a set period of time	
		Annual adjustment based on an inflation measure	
		Adjustment within a fixed or pre-determined pool of funding	
	Other, a	nd/or further details:	

### Question 6.2

What (if any) changes to payment models and structures are currently being discussed or pushed in your country, or are likely to be discussed or pushed in the foreseeable future? Please include any changes that your organisation is seeking, as well as those that may be being pushed by other parties such as government or other payers.

### Answer:

The IPU are currently seeking a renegotiation of our contract with the Department of Health, and commitments were made in the programme for government for this to commence in 2020, however, the current public health emergency has delayed progress. We are seeking an increase in current fees and an expansion of the role of the community pharmacist aligned to the Governments Sláintecare 10 year health strategy. We are also seeking an indexing of these fees and investment in pharmacy service development. The current fee structures have remained relatively static since 2011 with an increase in fees negotiated for influenza vaccination in 2020.

THANK YOU FOR COMPLETING THIS QUESTIONNAIRE. Please email your completed response to stephen.armstrong@worldpharmacycouncil.org.