

Outcome from the 2022-23 proposed APC fee consultation

Thank you for considering the Pharmacy Council's consultation document on the proposed 2022-23 Annual Practising Certificate (APC) fee, and to those individuals and organisations who made submissions.

Council has decided to approve a combined 1.96 percent increase to the Annual Practising Certificate fee / Disciplinary Levy for the year beginning 1 April 2022. For most practitioners this represents an increase of \$16.01 (including GST) from the previous year.

All Council members reviewed each of the 152 submissions prior to the Council making its decision.

The Council is a regulatory body charged under the Health Practitioners Competence Assurance Act 2003 (the Act) with assuring the public that pharmacists are practising safely and effectively, with the primary goal of protecting public safety.

Being a modern regulator means Council must look outwards to ensure pharmacists get as many things right as possible. Past trade-offs made to avoid fee and levy increases are not sustainable without risking regulatory failure.

Key Submission Themes

Continued APC fee increases year on year

- Since the 2019/20 APC round fees have increased by a net **\$7.97** (incl GST) or ~1% over a three-year period.
- Council refunded **\$70.70** incl GST (~10% of the 2019/20 APC fee collection) to pharmacists in consideration of work it was unable to complete in the 2019-20 financial year due to the impacts of COVID-19.
- Council also made no adjustment to APC fees for the 2020-21 APC year in consideration of the ongoing impacts of COVID-19 on the profession.
- If the practising certificate fee and disciplinary levy set for the 2018/19 year had been inflation adjusted each year, the annual fee/levy payable would now be **~\$864**. At **\$816.63** the annual fee/levy is less than the increase in inflation since 2018.
- Council works hard to keep costs in check and will continue to do so. For instance, the development and launch of the online recertification platform in 2017/18 has provided efficiencies that have meant the fee and levy do not need to increase as much as they would have if the previous manual process for annual recertification was still in effect.

Practitioner wages (and therefore related fee affordability) have not increased for some time

- As regulator of the profession of pharmacy, Council has no mandate for input to the service design, management of pharmacy funding / cost models, or advocacy on behalf

of pharmacists for better working conditions and / or remuneration adjustments. These issues are managed by the various representative bodies such as the Pharmaceutical Society and the Pharmacy Guild.

- Council is very aware of the constraint that pharmacists operate under and encourages employers to support their staff by covering the costs of their practising certificate fee and disciplinary levy.

Affordability for part time pharmacists / locums

- Council does consider pharmacists who work part time as an important part of the workforce, and we encourage employers to recognise their value and find ways to ensure their knowledge and skills are retained for the benefit of the public they serve.
- The regulatory costs of registration, recertification and compliance management do not vary in proportion to the hours worked by the practitioner being registered.
- Considering the fixed costs of regulation, any proposal for a reduction in APC fees / disciplinary levies for part time pharmacists / locums would require the funding shortfall to be covered by the remaining cohort thereby increasing fees for most practitioners.

Council should pass on full disciplinary costs to those who 'use' the service

- Council has authority under section 131 of the Act to charge a disciplinary levy. The disciplinary levy pays for the costs of running the complaints and disciplinary processes, both internally (Council) and externally (Professional Conduct Committees & Health Practitioner Disciplinary Tribunals).
- Disciplinary cases are becoming more complex and the costs of prosecution and legal representation for Council continue to increase year on year. However, the payment of the disciplinary levy protects your reputation as pharmacists and the pharmacy profession – the cases and hearings show the regulatory system is working as those pharmacists not practising in a professional way are held to account by colleagues, employers, the public, and by the Council assessing the notifications and undertaking investigations.

Council APC fee is higher than for other health professions

- A recent survey¹ of all Responsible Authorities² (RAs) operating under the Act shows that Council is currently ranked seventh out of seventeen overall in terms of the level of its APC fees.
- Councils with larger registers (e.g., Nursing Council with ~60,000 and the Medical Council with ~18,000) have been posited as examples of RAs with lower APCs. These larger registers provide some scale efficiencies that are not possible for the Pharmacy Council. Only two RAs currently ranking higher than Council for their APC fee levels have greater practising practitioner numbers than Council (Dental & Medical Councils with a total of ~4,200 and ~18,000 respectively).

Council doesn't support / represent pharmacists

- Council is the regulator of the pharmacy profession. It sets the qualifications, scopes of practice, policies and standards, registration and recertification requirements, and the

¹ Source: RA Annual Reports, Annual Financial Statements, Charities Services

² Excluding the newly formed Chinese Medical Council not yet operational

code of ethics for the profession to ensure that the practice and profession of pharmacy remains trusted by the public, and the public are kept safe.

- Advocacy for the profession is not part of Council's scope under the Act.
- To maintain public trust in the profession it is critical that the regulation of pharmacists and their practice be impartial, balanced and follow the principles of natural justice.

Pharmacists leaving the profession / workforce shortages

- Council acknowledges that there are communities where pharmacy services are under pressure and would encourage pharmacists working in those locations to engage with their membership bodies and reach out to colleagues for support.
- Annual workforce demographics reporting³ indicates that numbers in the pharmacy profession continue to grow year on year with on average ~100 more registered practitioners each year.

Pharmacy funding model inadequate for system pressures

- This is an issue for the professional membership bodies to advocate for on behalf of pharmacy owners, it is not the role of Council to provide input into service design or funding models.

Council should live within its means

- Government policy is that professional regulation is self-funded. In line with this policy, Council receives no government funding and manages its operations on a full cost recovery basis.
- Council's core regulatory work is delivered using between 90-95% of its annual operational budget and the costs are largely fixed year on year (with some inflationary adjustments). Review and developmental work forms only a small part of Council's overall budget each year. Council is keen to engage with the profession on its work priorities to ensure its efforts (and associated costs incurred) are being applied to the best outcomes for the profession.
- The lifecycle of planned developmental work does not neatly fit within a financial year which causes peaks and troughs in expenditure which accordingly impacts on end of financial year results.

Too many professional fees to pay (e.g., APC, PSNZ, PDA)

- Council has no part to play in the levels of professional fees set by other organisations within the sector. Each of these bodies has a critical and discrete part to play in assuring the confidence of the public in the profession of pharmacy.
- Council strongly encourages all pharmacists to be part of a membership body to foster collegiality, encourage continued professional development and uphold best pharmacy practice but it is not compulsory or a Council requirement (i.e., the professional memberships that you hold are entirely your choice).
- Principle 5, clause D of the Code of Ethics considers indemnity insurance as a professional expectation. There is potentially some scope for Council and PDA to work more collaboratively together to help target risk in the profession and thereby reduce indemnity costs.

³ Based on data collected during the annual recertification process

Demands of new recertification system too onerous

- The planning and research for the introduction of a new platform for the recording of pharmacist professional development had been in progress for some time before the decision was made by Council in September 2020 to proceed with the launch of MyRecert. There is never an ideal time to launch new recertification requirements and in acknowledging this, Council agreed to transitional requirements to allow for a staged implementation during 2021-22 in preparation for the 2022-23 APC recertification process whilst retaining assurance that continuing professional development was being undertaken.
- The MyRecert platform was developed for no additional cost to pharmacists and the ongoing operating costs (hosting and service level agreement) are being funded from Council reserves.
- Pharmacists are free to choose where they spend their professional membership fees and levies and their training budgets. Mandatory membership requirements (& additional cost) should not be a condition of access for an online portfolio management system.

Unsure of the work Council does and how it benefits pharmacists

- The practising certificate fee and disciplinary levy pay for the cost of issuing a practising certificate and for the costs of running the regulatory system e.g., registration, recertification, managing health, competence, and disciplinary matters, providing regulatory and practice advice, responding to enquiries, developing policy with the sector, maintaining an adequate and efficient infrastructure, business operations, and communications and stakeholder engagement.
- There will be further communications in 2022 to help pharmacists better understand the Council's role, responsibilities, and work programme going forward. Pharmacists and other interested stakeholders are encouraged to read the Council's newsletter to receive updates on the Council's work.

The Pharmacy Council sincerely thanks everyone who made a submission, and we look forward to engaging further with you in 2022.

Ngā mihi nui

Michael A Pead
Chief Executive