

2024 Election Commitment – ACT Labor

Name of Commitment:	After hours access to palliative care medicines	
	Reference Number: LAB046	
Request Submitted by:	Andrew Barr MLA, ACT Labor	
Date Request Received:	11-Oct-24	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2024-25	2025-26	2026-27	2027-28	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	0.0	-140.8	-144.4	-148.2	-433.4
- Employee Expenses	0.0	-44.2	-45.4	-46.7	-136.3
- Other Expenses	0.0	-96.6	-99.0	-101.5	-297.1
- Cost of Financing	0.0	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	0.0	-140.8	-144.4	-148.2	-433.4
Capital Requirement	0.0	0.0	0.0	0.0	0.0
Cash Surplus/Deficit	0.0	-140.8	-144.4	-148.2	-433.4
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

Other Information
Costing Methodology Used:
- Costing Technique:
<p>This costing is for a program to contract five pharmacies across the ACT to provide free after-hours delivery of palliative care medicines, at a total cost \$433,000 over three years from 2025-26 to 2027-28, indexed and ongoing. This includes \$297,000 for the contracted services, and \$136,000 for administration.</p> <p>This costing is based on the previous Capital Health Network (CHN) program, which included a cost of \$201,000 for the life of the program (April 2017 to June 2021). Treasury analysis indicates that the cost per year of that CHN program would be approximately \$97,000 in 2025-26 dollars and adjusted for population growth – which also includes the waiving of consumer co-payments (where the CHN program did not). This is based on Treasury's understanding that (over the three years June 2018 to July 2021) 4,569 deliveries were made at an average cost of \$40.61, plus a further \$6.30 per delivery in waived co-patient fees added to the Treasury costing.</p> <p>A 0.25 FTE Senior Officer Grade C has been costed to manage grant funding for this program. Salary costs have been calculated using the 2024-25 Average Salary Costing Template.</p>

- Proposal Parameters:

- Indexation of 2.5 per cent has been applied in 2026-27 and 2027-28 (consistent with the Consumer Index Price in the 2024 Standard Costing Parameters).
- Historical indexation and population growth has been applied as per ABS data.
- The costing has used a workers' compensation rate of 1.21 per cent.
- Implementation of this program would begin 1 July 2025, and be fully operational by October 2025.
- The costing request notes that ACT Health Directorate would manage the establishment of the program and contracts with community pharmacies.

Caveats or qualifications to the costing:

N/A

Other Comments:

Treasury's costing differs from that submitted, which is likely due to different demand and/or calculation input assumptions.

The previous CHN program included two pharmacies, where this new commitment will include five pharmacies. However, Treasury considers that increasing the number of pharmacies would not increase demand, as both programs are designed to service the entire ACT community. This may even reduce costs, as with more participating pharmacies, the average distance per delivery would be reduced. The costing request may include a different assumption.

Alternatively, the difference may be due to a costing assumption difference, for example the costing request potentially using the total CHN program cost (\$201,000 over four years) as an annual cost estimate input for the proposed program.

Treasury also notes that the CHN program ran through during the COVID-19 state of emergency, which pharmacy staff noted led to increased demand for the after-hours service. This level of demand may not be reflected in a post-COVID environment.

- Statistical Data Used:

Treasury estimates.

ABS, Consumer Price Index, Australia.

Afterhours Home-based Palliative Care Community Pharmacy Services Program Evaluation, available at <https://www.chnact.org.au/wp-content/uploads/2023/03/Afterhours-Home-based-Palliative-Care-Community-Pharmacy-Services-Program-Evaluation.pdf>.



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Under Treasurer
17 October 2024