



Pharmacy Programs  
Administrator

# PROGRAM RULES

## Regional Pharmacy Transition Allowance

September 2023



Australian Government

Department of Health and Aged Care

**REGIONAL PHARMACY TRANSITION ALLOWANCE**

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## REGIONAL PHARMACY TRANSITION ALLOWANCE

### 1 INTRODUCTION

This document outlines the Program Rules governing the Regional Pharmacy Transition Allowance (RPTA) Program. This document must be read in conjunction with the *Pharmacy Programs Administrator's General Terms and Conditions* (General Terms). Definitions in the General Terms apply in these Program Rules.

### 2 BACKGROUND

The RPTA was announced in July 2023 by the Australian Government, with the intent of providing temporary assistance to pharmacy owners in regional, rural, and remote Australia, as they transition business arrangements for 60-day prescriptions. When combined with the Regional Pharmacy Maintenance Allowance (RPMA), the total support for some eligible pharmacies, on average, will largely offset reductions in dispensing revenue for 2023-24.

The allowance will commence on 1 September 2023 with a monthly allowance paid in arrears to eligible proprietors of pharmacies approved under Section 90 of the *National Health Act 1953*. The Allowance will be phased down across four years and cease on 30 June 2027.

The allowance is calculated based on the remoteness of the pharmacy according to the Modified Monash Model (MMM) as well as the pharmacy's Pharmaceutical Benefits Scheme (PBS) and Repatriation Pharmaceutical Benefits Scheme (RPBS) prescription volume during the period 1 April 2022 to 31 March 2023. Pharmacies located within MMM categories 2 – 7 may be eligible for an allowance.

### 3 PARTICIPATION

#### 3.1 Community Pharmacy Eligibility

To be eligible to participate in the RPTA Program a Pharmacy must:

- a. Be approved to dispense pharmaceutical benefits as part of the PBS defined in Section 90 of the National Health Act 1953 (Cwlth) (Section 90 Pharmacy)
- b. Have been opened for business prior to 30 June 2023
- c. Ensure that a Registered Pharmacist is in attendance and the pharmacy is open for a minimum of:
  - 20 hours per week
  - 4 days each week
  - 48 weeks of each allowance year
- d. Be located in one of the following MMM categories to be deemed eligible:
  - MMM 2 – Regional Centre
  - MMM 3 – Inner Regional
  - MMM 4 – Outer Regional
  - MMM 5 – Rural
  - MMM 6 – Remote
  - MMM 7 – Very Remote

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- e. Have had PBS and RPBS Script Volumes within set thresholds between April 2022 and March 2023, based on their MMM location at the time of their RPTA application. The tables in [Appendix A](#) outline the script volume bands and MMM classifications that determine whether a pharmacy may be eligible for RPTA in a given year, and how much they will receive per financial year
- f. Be receiving the Regional Pharmacy Maintenance Allowance (for pharmacies located in MMM 3-7 locations).

Failure to maintain compliance with any or all of the above Eligibility Criteria may result in the Eligible Community Pharmacy being ineligible to participate in the RPTA Program.

Please note, if a pharmacy's MMM location changes (due to either a pharmacy location change or broader updates to MMM categories) after their RPTA application has been approved, their RPTA payments and ongoing eligibility will continue to be based on their original MMM location as at 1 September 2023.

Pharmacies receiving the Regional Pharmacy Maintenance Allowance which are forecast, on average, to offset the estimated reduction in dispensing related remuneration (from both the government and patient co-payments) following the doubling of that allowance, will not receive the Regional Pharmacy Transition Allowance.

### **Script volume thresholds where data is unavailable for the period 1 April 2022 – 31 March 2023**

Where there is less than 12 months of PBS and RPBS prescription volume available for the period 1 April 2022 – 31 March 2023, a pharmacy's script volume band will be determined by taking the average monthly script volume for the shortened period where script volume data is available and multiplying this value by 12.

In cases where a pharmacy was not open at all during the period 1 April 2022 – 31 March 2023, the same calculation will be performed, however using available PBS and RPBS prescription volume data for that pharmacy from when their Section 90 approval began.

Please note that new pharmacies that opened after 30 June 2023, after the 60-day prescription policy was announced in the 2023-2024 Budget will not be eligible for RPTA.

### **Ownership Changes**

Where a full ownership change has occurred, the new Pharmacy Owner will need to register and apply for the RPTA Program. The application for the new pharmacy's account will then be assessed and paid as per the old pharmacy's MMM location/script volume band. Please note RPTA payments will only be made for applications with a valid Section 90 number as at the end of the month being paid. For example, where a pharmacy has a full ownership change during October, the October payment will be made in arrears in November to the new pharmacy (provided they have an approved RPTA application). No pro-rata payments will be made to the old pharmacy account. It is therefore the responsibility of the new and old owners to come to their own agreement regarding any split of RPTA funds.

## **3.2 Community Pharmacy Obligations**

An Eligible Community Pharmacy must notify the Pharmacy Programs Administrator immediately when it becomes aware of any circumstance, event or fact that may affect eligibility to participate in the RPTA Program.

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Eligible Community Pharmacies must notify the Pharmacy Programs Administrator within 14 days if their Section 90 number changes or becomes inactive, or their opening hours are to be reduced below the minimum hours stated in clause 3.1 of these Program Rules.

If the Pharmacy Programs Administrator is not notified of these changes within 14 days, then the following may apply:

- a. Ongoing monthly payments may be suspended or cancelled; or
- b. Payments made since the reduction in opening hours may be recovered.

## 4 APPLYING FOR THE RPTA

### 4.1 Registering

Eligible Community Pharmacies that wish to claim the RPTA must register via the Pharmacy Programs Administrator [Portal](#). The Main Authorised Person (MAP) for the pharmacy must register for the program.

**Registration does not mean a pharmacy is eligible for payment. Pharmacies must also lodge an application for the Program, which will be individually assessed (see below).**

### 4.2 Applying

After registering for the Program, an Eligible Community Pharmacy applying for the RPTA is required to complete a new application via the Pharmacy Programs Administrator [Portal](#). Pharmacies are required to provide the following information to enable the Pharmacy Programs Administrator to confirm their pharmacy is eligible for payment:

- Whether the pharmacy has previously received funding under a different pharmacy approval number
- If yes to the above, the previous approval number to which the allowance was paid.
- Confirmation that the applicant intends to keep the pharmacy premises open with a Registered Pharmacist in attendance for a minimum of 20 hours over 4 days per week for 48 weeks per year
- The expected opening hours per week;
- The expected number of days per week; and
- The expected number of weeks per year.

Eligible Community Pharmacies will receive confirmation of accepted applications via the MAP email address provided during the registration process on the Portal. **This process may take up to one month.**

Eligible Community Pharmacies only need to apply for the RPTA once. Unlike the RPMA allowance, there is no annual renewal required for the RPTA Program.

## 5 PAYMENTS

The RPTA payment amounts have been calculated by the Department of Health and Aged Care and will be paid monthly to Eligible Community Pharmacies, based on the RPTA Payment Matrix for that financial year. The RPTA Payment Matrixes for each financial year the Program runs are available on the [PPA website](#) and in [Appendix A](#) of this document.

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Please note, if a pharmacy's MMM location changes (due to either a pharmacy location change or broader updates to MMM categories) after their RPTA application has been approved, their RPTA payments and ongoing eligibility will continue to be based on their original MMM location at the time of their initial application.

Payments will be made into the bank account nominated during the Service Provider registration process via the Portal.

To receive payments under the RPTA Program, the Eligible Community Pharmacy must:

- Meet the Community Pharmacy Eligibility Criteria detailed in clause 3; and
- Submit an RPTA Registration and Application as detailed in clause 4, confirming that the Eligibility Criteria detailed in clause 3 will be met including:
  - The minimum agreed trading hours with a Registered Pharmacist in attendance.

Payment records and remittance advices for each approved payment will be provided via the Portal.

If an Eligible Community Pharmacy fails to comply with the General Terms and/or these Program Rules, clause 5 of the General Terms will apply and the Pharmacy Programs Administrator and the Australian Government may at its discretion pursue debt recovery or reduce or withhold any future payments to that Eligible Community Pharmacy.

If the Pharmacy Programs Administrator seeks further information, clarification or substantiation, the Eligible Community Pharmacy agrees to respond within the timeframe nominated by the Pharmacy Programs Administrator.

If the information provided by the Eligible Community Pharmacy does not satisfy the Pharmacy Programs Administrator, they are not obliged to make a payment.

## 6 EXCEPTIONAL CIRCUMSTANCES

If a Pharmacy does not meet the opening hours eligibility criteria detailed in clause 3, the Pharmacy owner may write to the Pharmacy Programs Administrator for an assessment of eligibility under exceptional circumstances. The assessment of the application will be jointly undertaken between the Pharmacy Programs Administrator and the Australian Government Department of Health and Aged Care and will be based on how appropriate the services are for the community.

Pharmacies that are approved under exceptional circumstances will receive a percentage of the 'standard' payment for the appropriate MMM and script volume category, determined by the agreed terms of the exceptional circumstance (for example: reduced opening hours).

**Exceptional circumstance requests in relation to a pharmacy's MMM category or prescription volumes will not be accepted.**

Any request for consideration as an exceptional circumstance must be sent to [support@ppaonline.com.au](mailto:support@ppaonline.com.au) and contain sufficient justification to support the request.

## 7 AUDIT AND COMPLIANCE REQUIREMENTS

Service Providers must retain full and true records in relation to the provision of services for not less than seven years after the claim for payment. Such records must be kept in a manner that permits them to be conveniently and properly audited, and enables the amounts claimed as well as the services provided under the General Terms and these Program Rules to be determined. Service Providers may be subject to audits by the Australian Government Department of Health and Aged

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Care (or its representative) to ensure that the General Terms and these Program Rules have been complied with and must provide all and any records requested as part of such audit(s).

Service Providers that wrongfully or incorrectly receive support and/or do not meet the requirements set out in the General Terms and these Program Rules may be subject to compliance action (as determined by the Australian Government Department of Health and Aged Care or Pharmacy Programs Administrator) and repayment may be required. Under section 137.1 of the Criminal Code, giving false and misleading information is a serious offence. If an audit/compliance action is to be conducted, Service Providers will be required to produce documentation within a specified time frame.

## 8 RESOURCES

RPTA Program resources are available for download from the [PPA website](#).

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**APPENDIX A: RPTA PAYMENT MATRIX 2023 – 2027**
**Table A-1: RPTA payments by MMM classification group**

The RPTA payment matrixes have been determined by the Department of Health and Aged Care for all years of the program, as per their [RPTA factsheet](#) and are provided below.

Please note: "N/E" means not eligible. Pharmacies in these script volume bands and MMM locations will not receive the RPTA in the relevant year because the increased funding received from the Regional Pharmacy Maintenance Allowance offsets, on average, the expected reduction in dispensing related remuneration due to 60-day dispensing; or, they are above the script volume threshold.

**2023–2024**

	Modified Monash Model Classification					
April 22 to March 23 Script Volumes	2	3	4	5	6	7
0 – 22,913	\$12,380	\$6,043	N/E			
22,914 – 45,825	\$12,380	\$28,636	\$8,603	N/E		
45,826 – 57,282	\$12,380	\$45,399	\$30,591	\$14,164	N/E	N/E
57,283 – 68,738	\$12,380	\$56,959	\$44,265	\$32,027	\$17,316	N/E

**2024–2025**

	Modified Monash Model Classification					
April 22 to March 23 Script Volumes	2	3	4	5	6	7
0 – 22,913	\$13,065	\$22,754	\$2,983	N/E		
22,914 – 45,825	\$13,065	\$72,552	\$56,128	\$36,274	\$12,816	N/E
45,826 – 57,282	\$13,065	\$113,175	\$99,531	\$82,437	\$62,620	\$56,214
57,283 – 68,738	N/E					\$62,933

**2025–2026**

	Modified Monash Model Classification					
April 22 to March 23 Script Volumes	2	3	4	5	6	7
0 – 22,913	\$13,065	\$25,766	\$10,105	N/E		
22,914 – 45,825	\$13,065	\$80,426	\$69,848	\$49,821	\$29,125	\$4,733
45,826 – 57,282	\$13,065	\$126,880	\$113,732	\$151,793	\$78,851	\$73,724
57,283 – 68,738	N/E					\$52,444





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**2026-2027**

<b>April 22 to March 23 Script Volumes</b>	<b>Modified Monash Model Classification</b>					
	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
0 - 22,913	\$13,065	\$22,857	\$10,910	N/E		
22,914 - 45,825	\$13,065	\$70,634	\$63,134	\$46,012	\$28,986	\$8,731
45,826 - 57,282	\$13,065	\$111,455	\$100,843	\$90,083	\$71,920	\$68,325
57,283 - 68,738	N/E					\$41,955



**CONTACT THE SUPPORT CENTRE:** 1800 951 285 | [support@ppaonline.com.au](mailto:support@ppaonline.com.au)