

Ownership of Pharmacy and Dispensing by Doctors

2019

1. Introduction

1.1 In Australia, legislation currently restricts pharmacy ownership to pharmacists only.

1.2 The AMA believes that patient access and convenience in obtaining medications that they require can be improved by doctors (medical practitioners) being permitted to own pharmacies provided such ownership is managed ethically, addresses conflicts of interests and maintains the clear distinction between prescribing and dispensing.

1.3 The AMA recognises that real and perceived conflicts of interest may develop if a doctor owns a pharmacy. All potential conflicts of interest should be addressed appropriately in order to maintain public confidence that the profession will continue to fulfil its primary duty to put patients' interests first and protect the integrity of the doctor-patient relationship.

1.4 Doctors should recognise that ownership of a pharmacy may be perceived by their patients as setting up a conflict of interest to their own care by the creation of a potential incentive for the doctor to prescribe or recommend those treatments based on increasing the pharmacy's profit.

1.5 In recognising these concerns, the AMA has developed the following guidelines to assist doctors who have a direct financial interest in a pharmacy to manage potential conflicts of interest, to maintain their patients' trust and to preserve public confidence in the wider medical profession. These guidelines are based on the key principles of respect, integrity, transparency and accountability.

2. Openness and transparency

2.1 Trust is an essential component of the doctor-patient relationship. Trust may be damaged if patients perceive that a doctor is placing their financial or commercial interests above patients' interests.

2.2 One of the most important elements of maintaining patients' trust is through open and honest disclosure of the doctor's financial and commercial arrangements that may affect, or be perceived to affect, patient care.

2.3 As such, the doctor has a duty to inform patients of any financial and commercial interests that the doctor, or the doctor's practice, has in the pharmacy. In order to fulfil this duty, doctors may wish to consider the following:

- posting a sign at the reception desk (or other obvious location) informing patients of the doctors' interest in the pharmacy (one or more doctors at the practice may have an interest in the pharmacy);
- posting a sign in the pharmacy stating that it is owned by the doctor(s);
- informing each individual patient of the doctors' interest in the pharmacy at the time of prescribing.

2.4 Doctors who are also employers should ensure their pharmacy ownership is open and transparent to their doctor-employees. The doctor should inform employees of any financial and commercial interests that the doctor, or the doctor's practice, has in the pharmacy.

3. Separation of commercial interests from professional values and decision-making

3.1 Doctors have a duty of care to patients that takes a primacy above all else. The patient's health needs must be the primary consideration when recommending or prescribing products and services. The doctor's financial and/or commercial interests in pharmacy ownership must not influence their prescribing decisions or other treatment recommendations.

3.2 Patients must have the choice to attend whichever pharmacy they choose. Doctors should inform their patients that they may attend the pharmacy of their choice and that their choice will not affect the doctor-patient relationship.

3.3 Doctors must ensure that other, unrelated pharmacies or pharmacists are not disparaged in any way and that patients are not discouraged from attending them.

4. Ethical operation of pharmacies

4.1 As a further means of maintaining patients' trust and public confidence in doctors owning pharmacies, doctors and pharmacists should each maintain their professional autonomy. This includes:

- maintaining a clear separation between prescribing and dispensing where pharmacists retain the professional and legal responsibility for dispensing medicines, independent of the doctor;
- ensuring that pharmacists are under no incentive or obligation to refer patients to the doctor/the doctor's practice and vice versa.

4.2 Doctors who own a pharmacy should not participate in any inducement process regarding referral of patients to that pharmacy.

4.3 All pharmacies regardless of ownership should ensure that accurate and truthful information regarding complementary and alternative therapies should be available so that patients can make an informed choice regarding their use.¹

5. Dispensing by doctors

5.1 The long-held tradition of the separation of prescribing by a doctor, and the dispensing of medicines by a pharmacist, provides a safety mechanism as it ensures that independent review of a prescription occurs prior to the commencement of treatment by the patient.

5.2 As such, the regulatory definition of dispensing is not merely the handing out of a medication to a patient, but includes the identification, preparation, packaging, labelling, record keeping and supply of the correct medicine.

5.3 In general, doctors should consider avoiding the dispensing of pharmaceutical or other therapeutic products unless the benefits to the patient, such as in improved access, outweigh any potential safety concerns. Where dispensing by a doctor does occur, it should be based on clinical need and not be for the purpose of material gain² as this introduces risks of real or perceived conflicts of interest.

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¹ See also *AMA Position Statement on Complementary Medicine 2018* and *AMA Position Statement on Direct to Consumer Advertising 2007*.

² Material gain refers to making a profit over and above 'recovery costs' such as the price at which a medication or therapeutic product was purchased as well as delivery, packaging, storage and wastage costs.