

Factsheet on the Regional Pharmacy Maintenance Allowance (RPMA) Payment Matrix

In calculating an appropriate weighting mechanism for this program, the following data points have been taken into consideration:

- The number of pharmacies eligible to participate;
- The rural classification of each of these pharmacies using the Modified Monash Model (MMM);
- The script volume for each pharmacy and what band these individual volumes would fall into.

Noting that the determination has already been made that MMM categories 1 and 2 are excluded from eligibility, the table below only contains pharmacies within the eligible rural classifications and prescription bands.

Distribution of Pharmacies

The following table shows the distribution of pharmacies by MMM category and script volume band. Band a is the lowest volume of scripts with band g being the highest volume of scripts.

Table A: Pharmacy distribution by MMM category and script volume band

		MMM Category				
		(MM3)	(MM4)	(MM5)	(MM6)	(MM7)
Script Volume Band	a	36	19	177	53	44
	b	88	44	182	29	11
	c	53	40	61	6	0
	d	56	35	45	3	3
	e	44	29	38	2	0
	f	39	21	16	1	0
	g	21	37	9	0	0
Total pharmacies		1238				

Weighting Calculation

Each script band is allocated a weighting number in descending order (a is 7, b is 6 and so on) and the rural category is allocated a number in ascending order (MM3 is 1, MM4 is 1.5 etc).

The weighting system is then calculated on a simple multiplication mechanism where the script weighting is multiplied by the MMM weighting, thereby placing the emphasis on the more remote localities with the lower script volumes.

Table B: Weight Calculation

		MMM Weighting				
		(MM3)	(MM4)	(MM5)	(MM6)	(MM7)
Script Weighting	(a) 7	7	10.5	14	21	28
	(b) 6	6	9	12	18	24
	(c) 5	5	7.5	10	15	20
	(d) 4	4	6	8	12	16
	(e) 3	3	4.5	6	9	12
	(f) 2	2	3	4	6	8
	(g) 1	1	1.5	2	3	4

For example, the weighting for a pharmacy in Band A/MM7 would be 28, and for Band G/MM4 would be 1.5.

Unit Cost Calculation

The number of pharmacies in each script band/MMM category from Table A is then multiplied by the weighting calculated for that script band/MMM category in Table B to result in the number of weighted units for each script band/MMM category.

Table C: Weighted Units for script bands/MMM categories

		Rural Weighting				
		(MM3)	(MM4)	(MM5)	(MM6)	(MM7)
Script weighting	7	252	199.5	2478	1113	1232
	6	528	396	2184	522	264
	5	265	300	610	90	0
	4	224	210	360	36	48
	3	132	130.5	228	18	0
	2	78	63	48	6	0
	1	21	55.5	18	0	0
		Total				12,109.50

All eligible pharmacies receive a base allowance of \$7,500. Based on Table A there are 1238 pharmacies who may be eligible to participate based on location and script volume which would equate to a total of \$9.285 million being used for the base allowance.

A “unit cost” is determined by dividing the funding allocation available for the variable component of the allowance by the total number of weighted units across all script bands and MMM categories from Table C (12,109.50).

This unit cost is the minimum variable amount payable to those in Band G/MM3 (weighting of 1).

Individual allowances for the payment matrix are then calculated based on the unit cost multiplied by the weighting (from Table B) added to the base allowance of \$7,500.

Table D: RPMA 2024/25 Payment Matrix

		Rural Category (MM)				
		3	4	5	6	7
Script volume band	a	\$30,894	\$42,591	\$54,288	\$77,682	\$101,076
	b	\$27,552	\$37,578	\$47,604	\$67,656	\$87,708
	c	\$24,210	\$32,565	\$40,920	\$57,630	\$74,340
	d	\$20,868	\$27,552	\$34,236	\$47,604	\$60,972
	e	\$17,526	\$22,539	\$27,552	\$37,578	\$47,604
	f	\$14,184	\$17,526	\$20,868	\$27,552	\$34,236
	g	\$10,842	\$12,513	\$14,184	\$17,526	\$20,868