



Preventing the loss of cold stock in your pharmacy.

Loss of refrigerated stock can have a significant impact on your pharmacy and your customers, yet there are some simple steps you can take to help avoid this situation.

Every year, Guild Insurance manages a significant number of pharmacy claims where refrigerated cold stock has been damaged and needs to be disposed of. It's therefore vital that all pharmacy staff understand the role they might play in these incidents occurring and, more importantly, what they can do to reduce both the likelihood of them happening and the impact if they do.

What happens?

According to Guild's claims data, there are four key causes for refrigerated stock being damaged.

- > **Storm damage** – in these cases the impact of the storm causes a loss of power. Sometimes the reasons for this loss is obvious, such as when power lines come down. However, there are cases where the reason power has been lost won't be obvious. Storm damage can also prevent access to a building or premises, meaning any opportunity to access and move the refrigerated stock is hindered.
- > **Failure of power supply** – this occurs when, as the name suggests, there's been a loss of power to the premises. There can be several reasons why this occurs, such as faults with

or overloaded network supplies. Sometimes there's warning it'll happen however unfortunately other times there isn't.

- > **Accidental damage** – this is when the stock had been damaged accidentally due to the actions of staff, therefore this is largely due to human error. One of the most common examples in this category involves staff leaving the fridge slightly ajar without realising. Another very common example involves staff not placing stock in the fridge as is needed. This might occur if they get confused and place it on a non-refrigerated shelf or if they forget about a delivery and don't put the stock away. We've even had cases of fridges being unplugged for other purposes, and then not plugged in again.
- > **Breakdown** – this occurs when the fridge has stopped working or isn't working effectively and therefore the correct temperature isn't maintained. Unfortunately, in many of these cases this isn't realised until the temperature has been impacted for too long and the stock is damaged.

The impact

While insurance is there to assist pharmacists when these incidents occur, insurance unfortunately isn't the magical solution that can immediately solve the problem. There's a process

for determining what stock has been lost, ordering replacement stock, and then receiving this replacement. A quick turnaround time in processing an insurance claim unfortunately can't guarantee when the stock will be back in the pharmacy. This can lead to issues for a period of time as the pharmacy isn't able to operate as usual due to the lack of stock.

When a business can't operate as usual, this impacts the customers as well as the business. In some of the cases seen by Guild Insurance, the stock has been a special order for a patient yet has accidentally not been placed in the fridge as required. In these cases, the patient has then been unable to collect the medication when they're expecting to and may even have to cancel or change an appointment with their doctor. This is going to be frustrating for the patient as well as possibly detrimental to their health. As another example, imagine a pharmacy with vaccination appointments and a nurse booked to give them, without the available stock!

How to prevent these incidents

Some of the incidents which lead to cold stock being damaged is hard to predict and manage. However, all pharmacists should consider the actions they might be able to take (this can vary according to each individual business) to reduce the likelihood of a significant loss of stock.

- > **Know your requirements** – be sure you and your staff are aware of, and are complying with, the various state and territory requirements in terms of storage and disposal of cold stock, as well as temperature monitoring and reporting requirements. Not knowing is no excuse for not adhering.
- > **Processes and protocols** – each pharmacy needs to have processes and protocols in place regarding their storage of cold stock. These need to cover all aspects such as receiving deliveries, placement of stock in fridges, monitoring temperatures, maintenance of fridges and reporting issues. And importantly, for protocols to be effective, all staff must be trained in them. Don't assume staff will know what to do, put systems in place to guide them.
- > **Ways of working** – as has been mentioned, human error is a significant contributor to stock being damaged. We're all more likely to make simple mistakes when we're tired, stressed or rushing what we're doing. Being distracted or interrupted can also lead to mistakes. Pharmacists and their staff should reflect on how work is carried out in their pharmacy and consider if things can be done differently to minimise the chance of human errors occurring.
- > **Have a plan for loss of power** – While you usually won't be able to control when you lose power, you can control how prepared you are for when it happens. Think ahead before something goes wrong and create a plan for both planned and unplanned power losses. This plan could include:
 - > The use of a generator as mentioned in further detail below
 - > The use of a cooler box with ice or gel packs ready
- > An agreement with another site to use a suitable refrigerator
- > **Reminder tools** – simple reminders, such as signage or stickers, are incredibly effective in minimising human error. Place a sticker on the electricity meter box instructing it to not be turned off before checking with someone. Place another at the fridge's power source so it isn't unplugged or turned off. And in addition to these reminders, pharmacies should also consider installing a power point locking device or having the refrigerator 'wired in' so it can't be accidentally unplugged.
- > **Maintenance** – fridges, like all pieces of equipment, need to be maintained and will not last forever. Be sure to keep up to date with any cleaning, maintenance and necessary repairs for your fridges and always follow manufacturer instructions. While repairs and replacements may seem costly, it won't be as costly as the impact on your business should the fridge suddenly stop working.
- > **Amount of stock** – pharmacists should continually remind themselves of the importance of keeping stock only to the level required for that business. The less stock there is, the less stock that needs to be replaced should an incident occur. And when managing stock levels, pharmacists should make the time to review their insurance to ensure the sum insured is appropriate.
- > **Alarms** – various alarms are available to assist in minimising the loss of stock. Fridge alarms can either provide an alert when the temperature is outside the ideal range, or if the fridge door has been left open. If these alarms aren't already a feature of a fridge, they can sometimes be added. When considering an alarm, it really is worth keeping in mind the simple human error, which is surprisingly common, where a fridge has been accidentally left open and not realised until the next day. An alarm would be invaluable in this situation.
- > **Additional fridges** – Where there's available room, have more than one fridge and don't keep each fridge full, so have more fridge space than is needed. This means if a fridge does break down, and if it's noticed in time, stock can be moved to a different fridge.
- > **Alternate power source** – an alternate power source provides you with ongoing power should your regular power supply fail. The two key options here are generators and uninterruptible power supplies (UPS). Having a generator on hand which either switches on automatically or can be switched on immediately means the loss of power will be very short term. A UPS is a power supply device, almost like a large battery, which provides power. There are various types of UPSs available, and they provide power for varying lengths of time at reasonable cost. These can generally be fitted to an existing fridge without the need for an electrician.
- > **Stay informed** – it's the responsibility of all pharmacists and their staff to be fully informed of all aspects of cold storage. One valuable resource to assist with this is the Federal Government's National vaccine storage guidelines, Strive for 5, 3rd edition. While this is specific to vaccines, the information, guidance, tips and resources provided are applicable to other aspects of cold storage. This document can be found at [health.gov.au/resources/publications/national-vaccine-storage-guidelines-strive-for-5](https://www.health.gov.au/resources/publications/national-vaccine-storage-guidelines-strive-for-5)

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