

**NOTICE 1917 OF 2005****A Guide to issues to be addressed in comments to the medicine Pricing Committee on an appropriate dispensing fee- 2005**

The following highlights issues which are important to be included in the comments. Stakeholders are however allowed to add any other issues they consider relevant to the topic:

- 1) The Constitutional Court judgment of 30 September 2005 on the medicine pricing regulations suggests that the committee must consider dispensing in its broadest sense as defined in terms of the Pharmacy Act. Submissions should comment on how the dispensing fee regulations should be structured to include all dispensing activities.
- 2) Proposals on an appropriate dispensing fee must include a detailed report on the methods used in the determination of the fee. You should fully report on the underlying **data**, including information on the source of **data** and the un-analysed data. Also indicate whether any assumptions were made in your analysis, describing them explicitly and giving a **detailed justification** on their existence. It is important that your submission clearly explains why a particular method was chosen over the alternative methods.
- 3) The court judgment refers to due consideration being given to the viability of retail pharmacies. The profitability of the dispensary is a function of a number of variables that include the number of items dispensed; values of the items dispensed, dispensing fee, and dispensary related operating expenses and salaries for dispensary **staff**. Your submission should provide information on the source of data, include the underlying data, clearly indicate what assumptions have been made about these variables, and give a detailed justification of these assumptions.
- 4) The committee has to give consideration to rural and courier pharmacy. Input on what special considerations should be given to these pharmacies in coming up with an appropriate dispensing fee is requested. All factors and assumptions influencing the development of the suggested pricing model should be included.
- 5) Prior to the introduction of the pricing regulations retail pharmacists earned their income through mark-ups, discounts, rebates and other incentives. Your input should address the average and range of the rebates discounts and other incentives before the implementation of the regulations. **A** detailed report on such **an** analysis will be required.
- 6) The time required to dispense on a doctor's prescription (excluding compounding and admixing) depends upon whether the prescription is for a repeat medicine or a once-off medicine. Given these differences indicate the average time it takes to dispense an item. Also report on the average number of items dispensed per day.
- 7) Comment on a fee to be structured for over the counter medicines dispensed by a pharmacist. Clearly indicate how the price model was derived.
- 8) All relevant information relating to compounding and admixing must be furnished.
- 9) The South African Pharmacy Council published procedure codes related to the compounding and manipulation of medicines. Do these codes provide a reasonable description of the activities and time taken?