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Dr Richard Chadwick
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601



AUSTRALIAN MEDICAL
ASSOCIATION

ABN 37 008 426 793

T | 61 2 6270 5400

F | 61 2 6270 5499

E | info@ama.com.au

W | www.ama.com.au

42 Macquarie St Barton ACT 2600

PO Box 6090 Kingston ACT 2604

Dear Dr Chadwick

Thank you for your letter of 7 April 2010 regarding the applications for authorisation [A91218 & A91219] lodged by the Generic Medicines Industry Association Pty Ltd (GMiA).

The Australian Medical Association (AMA) supports self-regulation of the pharmaceutical industry through codes of conduct designed to safeguard public health and safety. We believe that, on balance, the public benefits arising from granting the proposed authorisation will outweigh any potential detriments. It is a significant step in moving toward a level playing field in the promotion of therapeutic goods amongst the therapeutic goods industry. There are clear benefits in relation to:

- reporting on expenditure on educational events;
- complaints handling mechanisms; and
- independent review processes.

The GMiA Code of Practice (the Code) will provide a degree of comfort that generic medicine companies are not trying to unduly influence healthcare professionals to prescribe, supply or administer a generic medicine.

The GMiA Code of Practice currently only requires reporting on educational events delivered to prescribers. However GMiA has said that the marketing of generic medicines typically seeks to change behaviour at the point of dispensing not at the point of prescribing,¹ and that the primary customer for promotional activities is the pharmacist.² In 2006, the Department of Health and Ageing confirmed that doctors tick the 'brand substitution not permitted' box in less than 3% of scripts written. This means that the vast majority (97%) of decisions about whether a generic or innovator medicine is dispensed occurs at the pharmacy.

Just as we want the public to be confident that prescribers are prescribing in the best interests of patients, the public also needs to be confident the pharmacists are dispensing in the best interests of patients. Therefore, the GMiA Code must be strengthened to require generic member companies to report on expenditure on educational events provided to all healthcare professionals. This is currently required

¹ GMiA Code of Conduct, March 2010, p4.

² GMiA Submission to ACCC in support of Applications for Authorisation of GMiA Code of Practice, 30 March 2010, p19.

by the Medicines Australia Code of Conduct. There should be parity between the two Codes on reporting on educational events.

This is particularly important in relation to pharmacists. While there is no financial gain to doctors from prescribing one brand of pharmaceutical over the other, community pharmacy does have a pecuniary interest in dispensing a particular medicine. This could be anything from open schedule to pharmacist only to prescription medicines, all of which are supplied by generic medicines companies.

Loyalty programs which reward pharmacies with gifts in exchange for dispensing the company's generic drugs interferes with the professional obligations of pharmacists to remain impartial about their dispensing decision. These programs would be in breach of the Medicines Australia Code. Therefore it is appropriate for GMiA member companies to report on all educational events, not just those provided to prescribers.

The AMA would also like to see a requirement for on-going dialogue, consultation and review of the GMiA Code with the medical profession and the community during the life of the Code.

The AMA appreciates the opportunity to provide this short submission to the ACCC. If you have any questions regarding the matters outlined above, please do not hesitate to contact Sally Cross on (02) 6270 5443.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Pesce', written in a cursive style.

Dr Andrew Pesce
President

30 April 2010

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