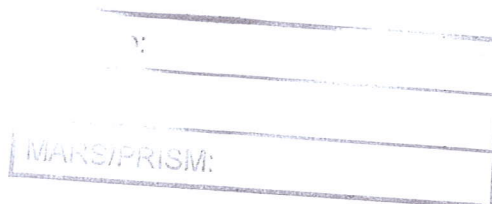




Ref: POLGOV AG-COMM

18 August 2010



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

Dear Dr Chadwick

Generic Medicines Industry Association – applications for authorisation A91218-A91219-draft determination

Thank you for your letter of 3 August 2010 in which you invite the Pharmacy Guild of Australia (the Guild) to make a written submission in response to ACCC's draft determination in respect of GMiA's Code of Practice 2nd edition.

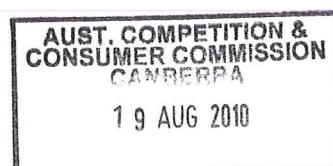
The Guild welcomes this opportunity to comment on the draft determination. Our remarks focus on the proposed conditions of ACCC's authorisation, in particular the extension of the education event reporting requirements to all health professionals regardless of whether a healthcare professional prescribes prescription medicines or not.

The Guild understands and supports this extension to the code, although it is important to state that, in the case of community pharmacy, these education events are limited in their scope and content. As ACCC points out in paragraph 5.51 of the draft determination, "education for pharmacists is usually carried out as in-store training during business hours, possibly with the provision of light refreshments". To our knowledge, holding large scale educational events for groups of community pharmacists is not the *modus operandi* of GMiA members. Their preference is for small group in-pharmacy encounters as described above by ACCC.

We also understand and support the second ACCC condition which requires high level disclosure of the value of non-price incentives offered to pharmacists by GMiA companies. We note that this information, together with commercial trading terms data, is already reported to government by GMiA companies as part of the price disclosure requirements of the recent reforms to the Pharmaceutical Benefits Scheme. We trust that public disclosure of the value of non-price incentives will help to increase transparency and boost public confidence in the generic medicines industry, as envisaged by ACCC.

National Secretariat

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One further comment is a point of clarification concerning paragraph 2.33 of the draft determination, which appears to be in error in two respects. First, the remuneration pharmacists receive for dispensing PBS medicines comprises a *single* mark-up on the cost of the product and a *single* professional fee. In some instances a brand price premium or therapeutic group premium may also be payable by the patient; and for items priced below the maximum patient co-payment (currently \$33.30), the pharmacist is able to charge certain specified additional amounts for such things as the safety net recording of prescriptions for patients.

Second, the generic dispensing incentive (\$1.56 from 1 August 2010) is payable to pharmacists by the Government for every subsidised, premium free, substitutable PBS prescription dispensed. It is *not* payable on items priced below the maximum patient co-payment.

Finally and more broadly, the Guild welcomes the Parliamentary Secretary Mark Butler's proposal (of 30 June 2010) for stronger self-regulation by the pharmaceutical and therapeutic goods industries for promotion of their products to doctors and other health professionals. As part of this we support Mr Butler's call for greater consistency in the codes of conduct across the industry in terms of their requirements, application, enforcement and penalties.

Yours sincerely

A handwritten signature in cursive script that reads "Wendy Phillips".

Wendy Phillips
Executive Director