

08/48

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



AUSTRALIAN MEDICAL  
ASSOCIATION  
ABN 37 608 426 793

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 inviting the Australian Medical Association (AMA) to comment on the draft determination by the ACCC in respect of the application for authorisation by the GMiA of its Code of Practice.

The AMA understands the ACCC is specifically interested in comments pertaining to proposed condition C2 which would require GMiA member companies to publicly report on the non-price benefits provided to pharmacists, including hospitality, entertainment, gifts and loyalty points as a condition of authorisation of GMiA's Code of Practice.

In our earlier submission to the ACCC, the AMA noted that loyalty programs which reward pharmacies with gifts in exchange for dispensing the company's generic drugs had the potential to interfere with the professional obligations of pharmacists to remain impartial about their dispensing decision.

The AMA also notes that it is already a requirement to report non-price benefits, together with commercial trading terms data, to the Department of Health and Ageing by GMiA companies as part of the price disclosure requirements of recent reforms to the Pharmaceutical Benefits Scheme. Given this, there should be minimal additional work involved for GMiA members to report on this as proposed by the ACCC.

As such, the AMA supports the inclusion of proposed condition C2 on the basis that:

1. the public can be confident the medicine dispensed is in their best interests and has not been unduly influenced, irrespective of the monetary value of the non-price benefits;
2. it makes transparent the pecuniary interest community pharmacy has in dispensing medicines. This includes pharmacy only (S2) and pharmacist only (S3) medicines, as well as prescription medicines (S4) all of which are supplied by generic medicines companies;
3. in the future there should be a move to work towards parity between the GMiA and Medicines Australia Code, including conditions around the supply of gifts, benefits and loyalty rewards, which are prohibited in the Medicines Australia Code.

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 "John Gullotta". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

A/Prof John Gullotta  
Chair, AMA Therapeutics Committee

8 October 2010

jg:sc