

Submission

The Pharmacy Practitioners Alliance Opposes to the Hospital Authority Contracting-out Private Pharmacy in its Hospitals

Clerk to Panel

Legislative Council Secretariat

(Attn: Ms. Amy YU)

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Dear Madam,

Legislative Council Panel on Health Services Mode of supply of self-financed item drugs in public hospitals

This submission represents the views of the captioned Pharmacy Practitioners Alliance Group. Our group consists of 219 pharmacy owners, over 600 pharmacy workers.

We would like the Hospital Authority to observe the two major principles in making a decision on the mode of supply of self-financed item drugs (SFIs) in public hospitals. These two principles are:

- 1. To protect and safe-guard the best interests of patients and the general public at large.**
- 2. To ensure a stable business environment for the development of the pharmaceutical businesses.**

Failure to follow these two principles would only cause more problems. In the end, patients will still be the biggest losers and the future of profession would be damaged. Meanwhile the image of HA will be tarnished in the eyes of the large numbers of people comprising these groups for making the wrong decision on an issue affecting the welfare and livelihood respectively.

The Preferred Mode of Supply of Self-Financed Item Drugs by the Pharmacy Practitioners Alliance is for:-

HA to dispense and sell the Self-Financed Item Drugs in Its Own Pharmacies

I. Rationale:

- A. To protect and safe-guard the best interests of patients and the general public:**

HA can easily **satisfy the three objectives** set by the patients groups, i.e. **drug quality reliability; stable drug price and convenience:**

1. HA **has an official duty** to protect and safe-guard the interests all patients;
2. **Any profit made by HA is public money.** HA has promised to use the money for the relief of high drug costs of cancer or other diseased patients;
3. HA is held **accountable by the general public and the Legislative Council;**
4. HA is **not a business entity and is not constrained to grow profits every year,** hence:
 - Patients will enjoy a **stable and reasonable drug price;**
 - HA hospital pharmacies enjoy a healthy and well-coordinated medical-pharmaceutical-system. They are in the position to provide **reliable and quality services.** Therefore, no extra manpower and costs are needed to police their practice;
 - No question on the **quality of drugs supplied,** and again, no extra additional manpower and cost are needed to monitor the supplies;
5. **Location convenience** not just benefits patients, this also allows patient easy information exchange between pharmacist and doctor, should there be any problem with the prescription. Currently, the community pharmacist, on spotting prescription problem(s), has to send the patient back to the doctor for clarification;
6. As no commercial element needs to be taken into account, HA can **consistently keep the 3 objectives laid down by the patients groups** for any length of time.
7. There would be **no further delay** for the elderly, seriously sick and invalid patients to conveniently obtain their drugs. As the HA pharmacies were originally ready to sell the SFIs last July, no time is needed to start providing these services to these disadvantaged patients.

B. To maintain a stable business environment for the development of the community pharmacy practice:

1. HA is not a business entity, it has **no aim or plan to dominate and monopolise the whole community pharmacy market;**
2. Apart from the selling of SFIs, the HA pharmacies would not sell on their premises any other drugs or goods commonly sold in the community pharmacy sector. Therefore, there will be no added pressure on the community pharmacies **of unfair competition** in buying and selling these other items. The drug firms will also be spared of the pressure to give huge price concessions on the sale of these products.
3. HA would have a supervisory role if other mode of supply of SFIs is adopted. However, history shows that **no one particular system** has so far **effectively** been able to **stamp out the social impact** caused by the fact that a privileged sector was granted exclusivity in

the marketplace. Hong Kong is a small geographical area, and once an exclusive right is granted to a particular business sector, monopoly will quickly result. The **HA pharmacy mode of supply of SFIs will avoid a monopoly** and will not incur costs to constantly monitor the situation.

II. Conclusion:

1. Only the HA pharmacy supply mode can truly protect the interests of patients, and ensure the stability of other pharmaceutical businesses;
2. Only the HA pharmacy supply mode can commence almost immediately;
3. Only the HA pharmacy supply mode can provide a fair competition environment for the pharmaceutical businesses. Until the community pharmacy sector can have the same healthy and well-coordinated medical-pharmaceutical system as in the hospital sector, HA pharmacies to supply SFIs is the most suitable mode in safe-guard the best interests of patients.

Additional Rationale:

The drug cost of \$2.4 billion, in fact, is only a small portion of the total healthcare budget of \$30 billion. Hong Kong has recently experiencing a strong economy, so it is not appropriate, at this time, to make cuts on the drug cost which impact the elderly and the chronic patients at the lower end of the social ladder.

Most SFIs are for chronic patients and most chronic patients are elderly or patients of lower income. The HA could continue to provide patients with free SFIs until a healthcare fund is established to subsidise the drug costs. As reported in the Ming Pao on 5th Dec 2006, 70% of the Hong Kong younger population readily accepts the concept of buying healthcare insurance. Some 64% of citizens in the 30 - 44 age group are covered by privately purchased healthcare insurance. The only solution to the inflated healthcare cost is for the Government to quickly establish a healthcare fund.

It was reported in the Ming Pao on 9th Nov 2006 that a rise of 0.4% in hospital stay costs and an increase of 4.2% in non hospital stay costs had been observed from July 1st 2005 to 30th June 2006. Some patients choose not to buy their needed SFIs to save money and their health suffered as a result so they had to return for the public health services. Could this more frequent usage have contributed to the rise in healthcare expenses in spite of the sale of SFIs which started in May 2005?