LC Paper No. CB(2)2706/05-06(03)

Date: 6th July 2006

Mr. Shane Solomon Chief Executive Hospital Authority

Dear Mr. Solomon,

Thank you for your request to the trade in the 26<sup>th</sup> June meeting to suggest options for further public private initiatives in the extended services on HA Drug Formulary Self Finance Items (SFIs) and Special Drugs (SDs).

The trade has discussed several options and all the proposals made will address patients' request as follows:

- Convenient access to purchase SFIs
- Assured drug quality
- Reasonable drug prices (median pricing) comparable to market level
- Certain proportion of income generated to fund direct patient care

#### **Option A**

# "Satellite Pharmacies" in the community

This proposal is for Community Pharmacies to serve as an extended arm for and on behalf of the HA via the setting up of "Satellite Pharmacies" to provide more SFIs and SDs distribution points for patients, with the following assumptions:-

- Under the Private Public Interface (PPI), the HA cannot sell SFIs and SDs directly to patients at market price in hospital pharmacies
- The HA supply SFIs and SDs to "Satellite Pharmacies" at Tender Cost
- The SFIs and SDs supplied under this option should be restricted and dispensed only to HA patients
- The retail prices (medium pricing) could then be fixed on SFIs and SDs for the HA patients
- Certain proportion of income from this scheme can be given to fund direct patient care

The inclusion criteria for the trade to join this scheme are as follows:

- Previous Public-Private-Partnership Programme (4P) Drug Compliance Counselling Service (DCCS) guidelines served as the blueprint in pharmacy standard
- Computer Linkages with the HA
- Keep Patient Medication Record- electronic Patient Record (ePR) under PPI

The "Satellite Pharmacies" will serve as an extended arm for and on behalf of the HA and this is the way forward to show how the PPI works in short, medium and long term for the benefits of all parties as the infrastructure will have been in place.

Special Note: In order to overcome the disparity in trade cost, the HA would need to either supply at tender cost or play a role with drug suppliers to ensure the same "special" trade cost for these prescriptions are available to participants of this option.

## **Option B**

"Personal Care Stores with Extended Services" in the hospitals is the "Total Solution" proposal.

The proposal is to adopt the present HA tendering procedures opened to all trade for bidding, on "Personal Care Stores" and include in the tender the provision of "Extended Services" with the same assumptions as Option A above.

### **Option C**

## **Keep Status Quo**

We question the alleged convenience for HA patient since the current long waiting time for prescriptions will further be lengthened if HA starts to operate "Private Pharmacies" within the same operation mode.

Thank you once again for your time. We are very willing to discuss the above options and any other options that HA may have in mind. We look forward to meeting you and your team again soon.

Yours sincerely,

Billy Chung Wing-ming President The Practising Pharmacists Association of Hong Kong cc Dr. York Chow – Secretary for Health, Welfare and Food Bureau

Legco Health Service Panel Members

**Hospital Authority Board Members** 

Mr. Anthony T Y Wu Chairman HA

Dr. Allen W.L. Cheung Director Professional Services & Operations HA

Mr. Lee Pak-wai Chief Pharmacist HA

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