



香港執業藥劑師協會
THE PRACTISING PHARMACISTS ASSOCIATION OF HONG KONG
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Date: 7th July 2006

Mr. Shane Solomon
Chief Executive
Hospital Authority

Dear Mr. Solomon,

We note today the content of the paper on the "Review of Hospital Authority Drug Formulary" that the HA has prepared for the Legco Health Services Panel meeting on Monday, 10 July.

Given the personal assurances that you gave at our meeting on 25 June 2006 that no recommendations would be made on this issue until the need of July 2006, we are very concerned and surprised that the Hospital Authority is now proposing to set up "private pharmacies" in its premises by "expanding the categories of SFI drugs currently supplied by HA to cover all prescriptions within the Formulary issued for purchase by patients at their own expenses".

We set out again for your ease of reference our views on this matter:

- ***Subsidised prescriptions are under threat*** by the latest proposals from the Hospital Authority.

The conflict of interest of its "dual pricing policy" means the HA has the economic incentive of (a) making its patients pay "retail prices" at its private dispensaries; and (b) re-classifying drugs to reduce the number that are eligible for subsidy.

Consequently, the Hospital Authority patients who previously paid nothing for their drugs, and who now pay HK\$10, may in future have to pay "retail prices" for the same drugs.

- There is ***questionable legal authority*** for the HA to operate private dispensaries within public hospitals.
- The new proposal is ***contrary to existing Government Policy*** and would:
 - distract the HA from its main focus on secondary and tertiary health care; and

- be contrary to the policy of moving more primary healthcare to the private sector, thereby reducing pressure on the public hospital system.

- ***Independent pharmacists would be most affected.*** Loss of revenue will impact those independent pharmacists that are presently reliant on fulfilling prescriptions for Hospital Authority patients. Based on recent prescription volumes, we estimate that average annual sales in all community pharmacies from HA prescriptions are approx. HK\$32 million, with most of such sales deriving from the sale of special drugs. We estimate that the community pharmacies would lose up to 80% of its current HA prescription business if the HA changes its policy and sets up its own “private pharmacies” in its HA premises.

We request you to re-consider your proposal and ask you to consider the alternative proposals which, at your request, we submitted to you by separate letter earlier today. We enclose a copy of that letter for your ease of reference.

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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Ms. Caroline Mak Group Health & Beauty Director The Dairy Farm Group
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