



# HONG KONG RETAIL MANAGEMENT ASSOCIATION

## 香港零售管理協會

### Presentation to Legislative Council Panel on Health Services

### Mode of Supply of Self-Financed Item Drugs in Public Hospitals

23 January 2007

The views of the HKRMA are as follows:

- The HKRMA opposes the Hospital Authority's (HA) proposal to expand the categories of special drugs and self-financed items ("SFIs") provided by the HA to its patients to cover all prescriptions within the Formulary for the following reasons:
  - public bodies should not become involved in areas of private business;
  - there is an inherent conflict of interest issue if the HA sets up "public dispensaries" (selling drugs for HK\$10) and "private dispensaries" (selling drugs at "market" price) on HA premises;
  - the focus of the HA should be on secondary and tertiary healthcare: moving into primary healthcare would further overload public hospitals and distract the HA from its main focus; and
  - retailers that have been encouraged by the Government to open community pharmacists would be adversely affected by the change in policy.
- Community pharmacies (both chain and independent stores) do, and can continue to, offer convenient access for HA patients to purchase special drugs/SFIs at reasonable prices with assured drug and service quality:
  - community pharmacies are more convenient for HA patients with repeat prescriptions and are very important during health crises (SARS, Avian flu etc) in keeping patients away from public hospitals;
  - prices are competitive and are determined by free market forces; and

- drug quality is assured at the stores operated by members of the HKRMA and, in any event, this is an enforcement issue. We would support and welcome efforts to educate and encourage HA patients to report any cases of retailers selling drugs of questionable drug quality. We are not aware of any such cases being reported against our members.
  
- Tendering for stores within the HA premises was not the preferred option of our members, but our members sat on the working group that worked very hard to produce tendering requirements that were acceptable to all parties. If required, our members will continue to work hard to find a tendering solution that is acceptable to all parties.
  
- The HKRMA is prepared to review alternative proposals that may be acceptable to all parties.

Peter Johnston

**Key Spokesperson representing HKRMA on the subject**

The Hong Kong Retail Management Association (HKRMA) was founded in 1983 and is the major association representing Hong Kong's retail industry. For the past 23 years, the Association has played a vital role with a long term mission to promote the retail industry, to present a unified voice and lobby on issues that affect all retailers. The Association facilitates the exchanges of information on issues common to the industry and aims to raise the status and professionalism of retailing through education and training.

The Association's current membership represents over 500 major retail chains covering more than 5,000 retail outlets and employing two-thirds of the total retail workforce in Hong Kong. Member organizations are engaged in various types of retail business ranging from department stores to supermarket, Convenience stores, drug stores, food, fashion and accessories, specialty stores as well as suppliers, wholesales and industry related service organizations.