

Medicine Manufacturers say Pharmacists and the DoH should determine appropriate dispensing fee

10th March 2005

On the 15th and 16th March the Constitutional Court will hear argument in support of an appeal by Government against the ruling by the Supreme Court of Appeal that the Regulations as promulgated in terms of the Medicines and Related Substances Act (101 of 1965) be struck down.

The original case was brought before the Cape High Court by Netcare, New Clicks, the Pharmaceutical Society of SA and others mainly through their discontent with the professional dispensing fees regulated by the Minister of Health.

The regulations also decree the formula by which pharmaceutical manufacturers must set the Single Exit Prices (SEP's) for their medicines and the price the general public should pay for medicines.

Innovative Medicines of SA (IMSA) has sought permission of the Chief Justice to submit information on the SEP as a "friend of the court". In its written submission has **not taken sides with either of the parties**, but has emphasised how important it is to uphold the SEP for all patients. The SEP provides stability for the industry; it allows consumers a transparency in the price of medicines; and it is the basis on which the medical aid schemes can calculate their benefits and subscriptions.

It is IMSA's opinion that we cannot shed any light on what are appropriate levels for the professional dispensing fees and that this is a matter should be settled between the parties contesting the court case.

In an audited assessment commissioned by a group comprising members of both IMSA and the Pharmaceutical Manufacturers Association it has been established that annualised savings of R3.4billion will flow to the purchasers of medicines as a direct result of the introduction of the SEP

Additional information:

IMSA represents pharmaceutical manufacturer's making up 32% of the private innovative prescription medicines market in South Africa. The members are: Sanofi-Aventis, Eli Lilly, Novartis Pharma, MSD, Pfizer and Roche).

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