

Andy Inder  
Chair of Pharmaceutical Margin Taskforce  
**Wellington**

9th September, 2015

**Medicines New Zealand response to PHARMACEUTICAL MARGINS Discussion Document an engagement with the Pharmaceutical Margin Taskforce**

Dear Andy,

Currently in New Zealand, community pharmacy is reimbursed the Margin which is 4% on products with a listing price of under \$150 and 5% on product with a listing price over \$150. The margin is paid by the DHB's to the community pharmacists. Medicines New Zealand view is that correct funding of the supply chain remains the financial responsibility of DHB's who negotiate with the community pharmacies through the Community Pharmacy Services Agreement (CPSA) taking into account the list price of pharmaceuticals.

**Medicines New Zealand endorses:**

The great outcomes that community pharmacists deliver around the safe and effective dispensing of medicines in New Zealand, and believes that sufficient funding via reimbursement by the DHB's needs to be paid to allow community pharmacists to continue to do their jobs well.

**Medicines New Zealand notes:**

No preference for any of the proposed or preferred models for funding of the pharmaceutical margins.

**Medicines New Zealand recommends:**

1. The DHBs should pay the full cost of the supply chain from wholesaler to community pharmacy to ensure the continuation of an efficient supply chain and prompt distribution to pharmacies. The full cost and payment of the Margin is not the responsibility of the pharmaceutical companies.
2. Medicines New Zealand and/or its member companies are more actively engaged by the Pharmaceutical Margin Taskforce in future discussions.

We look forward to both proactive and constructive engagement in future discussions on this and other topics by the Pharmaceutical Margin Taskforce. Should you have any questions around our response, please do not hesitate to contact me.

Yours sincerely,



**Graeme Jarvis, PhD, MBA**

General Manager