Serial Number **1953/123**

NEW ZEALAND

THE DRUG TARIFF 1953

PURSUANT to section 90 of the Social Security Act 1938, the Minister of Health hereby gives the following direction.

THE DRUG TARIFF

1. This direction may be cited as the Drug Tariff 1953.

2. This direction shall apply to all pharmaceutical requirements supplied on or after the 1st day of November 1953 to persons entitled to claim pharmaceutical benefits under the Social Security Act 1938, and to the supply on or after that date of pharmaceutical requirements to such persons as aforesaid.

Interpretation

3. In this direction, and in the New Zealand Formulary, unless the context otherwise requires,—

" British Pharmacopoeia ", or " B.P.", means the monographs set out in pages 13 to 624 inclusive of the 1953 edition of the British Pharmacopoeia :

" British Pharmaceutical Codex ", or " B.P.C.", means the general monographs in Part I and the preparations specified in Part VI (the Formulary Section) of the British Pharmaceutical Codex 1949, together with the monographs set out in pages 1 to 81 inclusive and the amendments to Part VI specified in the Formulary Section of the 1952 Supplement to the British Pharmaceutical Codex 1949 :

" Fund " means the Social Security Fund established under the Social Security Act 1938 :

" New Zealand Formulary " or " N.Z.F.", means the New Zealand Formulary of pharmaceutical requirements, with directions and prohibitions therein, published by direction of the Minister for the purposes hereof, together with all amendments or additions thereto contained in any addenda to the said Formulary published as aforesaid and for the time being in force :

" Proprietary preparation " means any proprietary medicine, or any compound or preparation that is prescribed in any medical prescription by reference to any trade mark or trade name or by reference to the name of the manufacturers thereof :

"The regulations" means the Social Security (Pharmaceutical Supplies) Regulations 1941*:

Expressions defined in the regulations have the meanings so defined.

Scope of Tariff

4. All medicines, drugs, and materials on which a monograph appears in the British Pharmacopoeia or the British Pharmaceutical Codex or the New Zealand Formulary, or of which a formula appears in any of those publications, shall be deemed to be included in the drug tariff and to be pharmaceutical requirements for the purposes hereof, unless or to the extent that they are excluded or only conditionally allowed by clause 5 hereof.

Classes of Materials Either Excluded from or Conditionally Allowed in the Drug Tariff

5. (1) The materials specified in the First Schedule hereto are hereby excluded from the drug tariff.

(2) The materials specified in the Second Schedule hereto are allowed to the extent, if any, therein specified.

(3) The materials specified in the Third Schedule hereto are allowed when included in a medical prescription as ingredients to be dispensed in combination with pharmaceutical requirements, and to the extent, if any, specified in that Schedule.

(4) The materials specified in the Fourth Schedule hereto are allowed only for the purposes and to the extent, if any, therein specified, and only when supplied in accordance with a medical prescription that is endorsed in the handwriting of the medical practitioner with the words "Certified Fourth Schedule condition".

(5) The materials specified in the Fifth Schedule hereto are allowed only if they are supplied by a Hospital Board approved by the Director-General of Health and only to the extent, if any, and under conditions defined from time to time by the Director-General.

(6) The materials specified in the Sixth Schedule hereto shall for the purposes of regulation 8 of the regulations be deemed to be authorized midwifery pharmaceutical requirements obtainable on the presentation of a midwifery order, and then only to the extent, if any, specified in that Schedule.

Rules for Standard

6. No claim by a contractor on the Fund in respect of the supply of pharmaceutical requirements shall be allowed unless the requirements comply—

(*a*) With the appropriate standards prescribed by regulations for the time being in force under the Food and Drugs Act 1947; or

* Statutory Regulations 1941, Serial number 1941/66, page 240.
Amendment No. 1: Statutory Regulations 1941, Serial number 1941/131, page 426.
Amendment No. 2: Statutory Regulations 1942, Serial number 1942/3, page 15.
Amendment No. 3: Statutory Regulations 1943, Serial number 1943/155, page 348.
Amendment No. 4: Statutory Regulations 1946, Serial number 1946/135, page 325.
Amendment No. 5: Statutory Regulations 1951, Serial number 1951/87, page 303.
Amendment No. 6: Statutory Regulations 1951, Serial number 1951/130, page 394.
Reprinted with amendments: Statutory Regulations 1951, Serial number 1951/197, page 649.

(*b*) In the absence of any such standard, with the appropriate standards prescribed by the New Zealand Formulary ; or

(*c*) In the absence of any such standards as aforesaid, with the appropriate standards prescribed by the British Pharmacopoeia ; or

(*d*) In the absence of any of the foregoing standards, then with the appropriate standards prescribed by the British Pharmaceutical Codex.

Price Rules

7. (1) Subject to the provisions of clause 8 of this drug tariff, where the price of any pharmaceutical requirement is specified in the Seventh Schedule hereto, a contractor claiming on the Fund in respect thereof shall be paid that price.

(2) Subject as aforesaid, where the price of any pharmaceutical requirement is not so specified, a contractor claiming on the Fund in respect thereof shall be paid therefor the price computed in accordance with the rules for pricing set out in the Seventh Schedule hereto.

(3) Nothing in the regulations or in this drug tariff shall be construed to prohibit a contractor from charging a customer with the price of any goods, not being pharmaceutical requirements, that are supplied by him, or with the difference between the price of any such goods and any amount payable from the Fund in respect thereof, or with the price of any pharmaceutical requirements that are supplied by him in excess of the maximum quantities hereinafter prescribed.

Claims on the Fund

8. (1) Pursuant to regulation 14 of the regulations, a contractor may submit claims for payment for pharmaceutical requirements supplied by him in respect of half-monthly periods.

(2) The amount due to the contractor on every claim, as computed in accordance with this drug tariff, shall be reduced by a discount of $2\frac{1}{2}$ per cent.

(3) Where the claim relates to or includes any prescription or order which was last dispensed more than three months before the date on which the claim is first received by the Medical Officer of Health, the amount due to the contractor in respect of every such prescription or order so last dispensed shall, unless the contractor satisfies the Medical Officer of Health that he has a reasonable excuse for his delay in submitting the claim in respect thereof, and subject to any general or special directions given by the Director-General of Health, be reduced by a further discount of 10 per cent.

Maximum Quantity

9. (1) Pursuant to any one medical prescription and one "repeat", if any, endorsed thereon by the medical practitioner, a contractor may claim on the Fund in respect of pharmaceutical requirements supplied to a person entitled thereto in a quantity sufficient to provide that person with treatment for a specified period not exceeding fifteen days for the original supply, and in respect of the "repeat" a further quantity equal to that of the original supply, but not exceeding fifteen days' treatment. Except as provided in clause 10 hereof, no claim shall be made on the Fund for any quantity in excess of that allowed by this clause.

(2) Notwithstanding anything in this clause, where any drug, being a pharmaceutical requirement, specified in the Sixth Schedule to the Food and Drug Regulations 1946* is supplied to any such person as aforesaid by a contractor pursuant to regulation 186B* of those regulations, and in accordance with such instructions, if any, relating to the supply thereof as are from time to time given by the Director-General of Health, the contractor may claim on the Fund in respect of the supply of that drug in a quantity sufficient to provide that person with treatment for a period, to be specified in the prescription, not exceeding thirty days.

Certified Extended Supply Condition

10. Notwithstanding anything in subclause (1) of clause 9 hereof, where in the opinion of the medical practitioner no danger is involved in the use of a pharmaceutical requirement, without medical supervision, in the treatment of a chronic condition of a patient, a supply of that pharmaceutical requirement up to a quantity sufficient to provide that person with treatment for a specified period not exceeding three months may be made on any one prescription, and a claim may be made on the Fund accordingly, if the medical practitioner has endorsed the prescription with the words " Certified extended supply condition " and has specified thereon the period for which that pharmaceutical requirement is to be supplied.

Bulk Supply for Private Hospital Patients

11. Notwithstanding anything in this drug tariff, for the purpose of supplying pharmaceutical requirements expected to be required for the treatment of persons who are under medical supervision in a licensed hospital, or in any institution approved for the purpose by the Director-General of Health, the licensee or manager of the hospital or approved institution may, in a form of application known as a " bulk supply order " (to be provided by the Department of Health) addressed to the Medical Officer of Health, obtain for the use of such persons as aforesaid such pharmaceutical requirements as are approved from time to time by the Director-General for the purpose and as are authorized by the Medical Officer of Health.

12. A contractor who supplies pharmaceutical requirements pursuant to a bulk supply order under clause 11 hereof shall be entitled to claim on the Fund therefor if the order—

(*a*) Is signed and dated by the licensee or manager of the hospital or institution ; and

(*b*) Is authorized by the Medical Officer of Health and is signed and dated by him ; and

(*c*) Is countersigned and dated by the person in charge of the hospital or institution on the receipt by him of such pharmaceutical requirements.

13. (1) The pharmaceutical requirements supplied pursuant to any bulk supply order under clause 11 hereof shall, until they are administered to the persons under treatment in the hospital or institution, be kept in a suitable room or cupboard on the premises of the hospital or institution. The room or cupboard shall be kept locked by the person in charge of the hospital or institution, except while it is occupied or used by him or his authorized deputy.

* See Statutory Regulations 1951, Serial number 1951/68, pages 257, 255.

(2) Such pharmaceutical requirements shall be administered by the person in charge of the hospital or institution, or his authorized deputy, solely for the benefit of the persons under treatment therein from time to time as and when required.

Medical Practitioner's Supply Order

14. (1) Notwithstanding anything in this drug tariff, for the purpose of supplying to a medical practitioner pharmaceutical requirements expected by him to be required for patients under his treatment, a contractor may supply to him such of the materials specified in the Eighth Schedule hereto, to the extent, if any, therein specified, as the medical practitioner requires; and the contractor may accordingly claim on the Fund on the presentation of a " medical practitioner's supply order " which, at the time of supply,—

(*a*) Is signed personally by the medical practitioner :

(*b*) Is dated in the medical practitioner's own handwriting :

(*c*) Sets forth such of the materials appearing in the said Eighth Schedule as the medical practitioner at the time requires :

(*d*) Has endorsed thereon a receipt signed and dated by the medical practitioner in his own handwriting in respect of the materials supplied.

(2) The Minister may at any time, on the recommendation of the Central Medical Advisory Committee appointed under section 83 of the Social Security Act 1938, by notice given in such manner as the Minister thinks proper, declare that any medical practitioner whose name is specified in the notice shall not be entitled to obtain supplies of pharmaceutical requirements under this clause; and thereupon this clause shall cease to apply with respect to that medical practitioner. Any such notice may in like manner be revoked.

Revocations and Savings

15. (1) This direction is in substitution for the Drug Tariff (September 1946), and that drug tariff and all amendments thereto, as specified in the Ninth Schedule hereto, are hereby accordingly revoked as from the 1st day of November 1953.

(2) Without limiting the provisions of the Acts Interpretation Act 1924, it is hereby declared that the revocation of any provision by this direction shall not affect any document made or any thing whatsoever done under the provision so revoked or any corresponding former provision, and every such document or thing, so far as it is subsisting or in force at the time of the revocation and could have been made or done under this direction, shall continue and have effect as if it had been made or done under the corresponding provision of this direction and as if that provision had been in force when the document was made or the thing was done.

SCHEDULES

FIRST SCHEDULE

Clause 5 (1)

MATERIALS EXCLUDED FROM THE DRUG TARIFF

1. Any substance or combination of substances that is ordered for any purpose other than the treatment of a patient's medical condition (e.g., cosmetic and toilet preparations, including barrier creams, cleansing agents, etc.).

2. Any proprietary preparation other than a preparation that is a pharmaceutical requirement specified elsewhere in this drug tariff or is a preparation to which clause 11 of the Seventh Schedule hereto applies.

3. Shampoos, tooth pastes, tooth powders, contraceptive preparations, insect repellants or exterminators, and similar preparations of alleged prophylactic value.

4. Sera, vaccines, and antitoxins, unless specified in the New Zealand Formulary.

5. Preparations of blood and blood substitutes, sterile solutions of dextrose, saline, dextrose and saline and similar preparations for parenteral use.

6. Bandages and surgical dressings, including the following:

Emplastra.

Ligamenta.

Sterile catgut.

Cellulosum oxidatum.

Spongia gelatini absorbenda.

7. Intoxicating liquor as defined in the Licensing Act 1908.

8. The following antibiotics, except to the extent specified in the Fifth Schedule hereto or in the New Zealand Formulary:

Aureomycin.

Chloramphenicol (chloromycetin).

Tablets of penicillin for oral use (all strengths), except as specified in the Second Schedule hereto.

9. The following anaesthetic or related gases or any combination thereof:

Carbon dioxide.

Helium.

Nitrous oxide.

Oxygen.

Trichlorethylene (except that quantities not exceeding 1 fluid ounce may be allowed in the treatment of a medical condition).

10. Local and general anaesthetics of a kind normally administered personally by a medical practitioner in the course of affording medical services.

11. Any antihistamine, or any preparation containing any antihistamine, whether alone or in combination with other substances, when prescribed for external application:

Provided that in the case of a preparation compounded and dispensed by a contractor, payment for the remaining pharmaceutical requirements specified in a medical prescription may be allowed.

12. Oestrone, oestradiol, testosterone, or their salts, or derivatives thereof or their salts, and any preparation containing any proportion of the aforesaid substances alone or in combination with other substances, when prescribed for external application:

Provided that in the case of a preparation compounded and dispensed by a contractor, payment for the remaining pharmaceutical requirements specified in a medical prescription may be allowed.

13. The materials specified hereunder:

Caseinogen, casein glycerophosphatum, hydrolysates of casein or protein, and similar preparations.

Decamethonium iodide.

Liquid extract of liver for oral use.

Pentamethonium iodide.

Yeast, compressed yeast, dried yeast, and similar preparations.

SECOND SCHEDULE

Clause 5 (2)

MATERIALS INCLUDED IN THE DRUG TARIFF TO THE EXTENT HEREIN SPECIFIED

1. Tablets of penicillin for oral use (all strengths), pursuant to any one medical prescription: a supply not exceeding ten tablets of any stated strength.

2. Such combinations of two or more substances specified in the drug tariff as are approved from time to time by the Director-General of Health for the purpose of payment in full or in part under the pricing rules set out in the Seventh Schedule.

3. The materials specified hereunder:

Adrenaline mucate for injection (hyperduric adrenalin).
Ancolan.
Antazoline hydrochloride (antistin).
Antitoxin (diphtheria).
Antitoxin (tetanus).
Benedict's solution (qualitative).
Benzhexol hydrochloride (artane).
Calcium aurothiomalate (aurocalcium).
Capsules of aminophyllin 2 grains with ephedrine hydrochloride $\frac{3}{8}$ grain and amylobarbitone $\frac{3}{8}$ grain.
Capsules of calcium lactate $2\frac{8}{9}$ grains with potassium chloride $2\frac{1}{9}$ grains.
Chlorcyclizine hydrochloride (perazil).
Colloidal calamine, Colloidal kaolin, Colloidal zinc oxide } Complying with the standard defined in the New Zealand Formulary.
Cyanocobalamin (B 12) for administration by injection.
Diethazine hydrochloride (diparcol).
Dihydroergotamine methanesulphonate (D.H.E.—45).
Dihydrotachysterol (A.T. 10).
Diphenhydramine hydrochloride (benadryl).
Elixir of diphenhydramine hydrochloride (benadryl elixir).
Elixir of mepyramine maleate (anthisan elixir).
Elixir of promethazine hydrochloride (phenergan elixir).
Emulsifying waxes and other similar agents as specified hereunder, and such other emulsifying waxes and similar agents as are approved from time to time by the Director-General of Health:
- Carbowax.
- Dispersa wax.
- Dista wax.
- Polawax.
- Promulsin.
- Promulsin wax.

Ergometrine and its salts.
Ethopropazine hydrochloride (lysivane).
Extract of ergot, liquid, B.P. 1914.
Extract of malt with vitamins, B.P.C. 1934.
Fehling's solution Nos. 1 and 2.
Insulin zinc suspension (IZS: insulin lente).
Insulin zinc suspension (IZS—amorphous: insulin semilente).
Insulin zinc suspension (IZS—crystalline: insulin ultralente).
Levorphan tartrate for injection (dromoran injection).
Liver extracts for administration by injection.
Mercuramide with theophylline (neptal).
Mersalyl with theophylline.
Methaphenilene hydrochloride (diatrin).
Methapyrilene hydrochloride (histadyl: thenylene).
Methylcellulose.
Methylergometrine tartrate (methergin; partergine).
Mistura aluminii hydroxidi (amphojel).
Mistura aluminii hydroxidi et kaolini (kaomagma).
Oculentum aureomycin: one tube.
Oculentum chloramphenicol: one tube.
Oculentum ichthammol compound, containing 2·5 per cent of ichthammol with zinc oxide 2·5 per cent.
Oculentum terramycin: one tube.
Ointment of benzylpenicillin 2,000 units with dihydrostreptomycin 10,000 units per gram.

SECOND SCHEDULE—*continued*

MATERIALS INCLUDED IN THE DRUG TARIFF TO THE EXTENT HEREIN SPECIFIED—*continued*

Ointment of dienoestrol.
Ointment of stilboestrol.
Paramethadione (paradione).
Penethamate hydriodide (estopen).
Penicillin-procaine, and such preparations thereof as are approved from time to time by the Director-General of Health.
Phenindamine hydrogen tartrate (thephorin).
Pitressin tannate in oil for injection.
Primidone (mysoline).
Procyclidine hydrochloride (kemadrin).
Silver picrate.
Compound powder of silver picrate 1 per cent (with kaolin).
Suppositories of silver picrate 2 per cent.
Tablets of levorphan tartrate (dromoran tablets).
Tablets of magnesium trisilicate 7½ grains, and dried aluminium hydroxide gel 4 grains.
Tablets of methoin (mesantoin tablets).
Tablets of methoin 0·10 G. with phenobarbitone 0·02 G. (hydantal tablets).
Tablets of parathyroid $\frac{1}{10}$ grain with calcium lactate 5 grains.
Tablets of phenytoin sodium 1½ grains with phenobarbitone sodium ¾ grain.
Tablets of thyroid (fresh gland): allowed only when specifically prescribed.
Thenfadil tablets.
Thonzylamine hydrochloride (neohetramine tablets).
Thyroxine sodium, laevo form (eltroxin).
Tripelennamine hydrochloride (pyribenzamine tablets).
Troxidone, known also as trimethadione (tridione).
Such water soluble analogues of vitamin K as are specified hereunder, and such other analogues of vitamin K as are approved from time to time by the Director-General of Health:
- Menadione sodium bisulphite.
- Menadoxime (kapilon; water-soluble).
- Synkamine.
- Synkavit.

Such radiological contrast media as are specified hereunder, and such other media as are from time to time approved by the Director-General of Health:
- Ethyl iodophenylundecylate (ethiodan, myodil, pantopaque).
- Organic iodine compounds (telepaque tablets, dionosil, dionosil oily).
- Barium sulphate suspensions (micropaque, nov-umbrose barium cream, rayso).
- Barium meal (shadoform).

Such sulphonamides and such suspensions or combinations thereof as are approved from time to time by the Director-General of Health.

THIRD SCHEDULE Clause 5 (3)

MATERIALS INCLUDED IN THE DRUG TARIFF ONLY WHEN INCLUDED IN A MEDICAL PRESCRIPTION AS INGREDIENTS TO BE DISPENSED IN COMBINATION WITH PHARMACEUTICAL REQUIREMENTS, AND THEN ONLY TO THE EXTENT, IF ANY, HEREIN SPECIFIED.

1. Ethyl alcohol of a total quantity equivalent to but not exceeding 2 fluid ounces of alcohol (90 per cent by volume).

2. Spiritus coloniensis, or spiritus myrciae compositus, of a total quantity not exceeding 2 fluid ounces.

3. Soap.

4. Foods, as defined in the Food and Drugs Act 1947, singly or together, including condiments, colouring agents, flavouring agents, and the materials specified hereunder:
- Arrowroot.
- Cocoa.
- Dextrose.
- Enema of dextrose.
- Enema of olive oil.
- Extract of malt and liquid extract of malt.
- Figs.

THIRD SCHEDULE—*continued*

MATERIALS INCLUDED IN THE DRUG TARIFF ONLY WHEN INCLUDED IN A MEDICAL PRESCRIPTION, ETC.—*continued*

Fixed edible oils,* as follows:
- Almond oil.
- Coconut oil.
- Cottonseed oil.
- Linseed oil.
- Olive oil.
- Peanut oil (ground nut oil).
- Rapeseed oil.
- Soya bean oil.

Iodized salt.
Gelatine.
Glucose, including syrup of glucose.
Honey.
Isinglass.
Lactose.
Maltose.
Ovolecithin.
Saccharin and elixir of saccharin.
Salt, including physiological saline and concentrated saline; or capsules or tablets or powders of sodium chloride, or sodium chloride in combination with any " food " or other excluded substance.
Sugar, including simple syrup or any flavouring syrup.

* NOTE.—Oils allowed as midwifery requirements are set out in the Sixth Schedule.

FOURTH SCHEDULE

Clause 5 (4)

MATERIALS INCLUDED IN THE DRUG TARIFF TO THE EXTENT, IF ANY, HEREIN SPECIFIED AND FOR THE PURPOSES HEREIN SPECIFIED, WHEN SUPPLIED ON A SPECIALLY ENDORSED PRESCRIPTION*

Name	Approved Purpose
1. Tolazoline hydrochloride ampoules 25 mg. in 1 ml.	Solely for use in the treatment of obliterative arteritis or of Raynaud's disease.
Tolazoline hydrochloride tablets 25 mg. .. (This drug is known under the trade name " Priscol ")	
2. Cortisone eye drops	Solely on the prescription of an ophthalmologist.

* NOTE.—A contractor shall not claim on the Fund in respect of any medical prescription ordering any one or more of the abovementioned materials unless the prescription has been endorsed in the handwriting of the medical practitioner with the words " Certified Fourth Schedule condition."

FIFTH SCHEDULE

Clause 5 (5)

MATERIALS INCLUDED IN THE DRUG TARIFF, WHEN SUPPLIED BY A HOSPITAL BOARD APPROVED BY THE DIRECTOR-GENERAL OF HEALTH

1. ACTH and cortisone : in the case of an outpatient suffering from the following diseases in which these drugs are life-saving :
   - Addison's disease.
   - Disseminated lupus erythematosus.
   - Periarteritis nodosa.
   - Sjögren's syndrome.

2. The following materials are allowed on the approval of a Tuberculosis Officer :
   - Isoniazid.
   - Para-amino-salicylic acid and its salts.
   - Para-acetylaminobenzaldehyde thiosemicarbazone, also known as TB1, or thiacetazone.
   - Para-ethylsulphonylbenzaldehyde thiosemicarbazone, also known as TB3.
   - Tetrasodium (phenylpropylamino)-diphenylsulphone-tetrasulphonate ; also known as sulphetrone, or promin, or glucosulfone sodium.

FIFTH SCHEDULE—*continued*

MATERIALS INCLUDED IN THE DRUG TARIFF, WHEN SUPPLIED BY A HOSPITAL BOARD, ETC.—*continued*

3. The following antibiotic preparations :
Aureomycin capsules.
Aureomycin for injection.
Aureomycin spersoids for children.
Chloramphenicol capsules (chloromycetin capsules).
Chloramphenicol palmitate (chloromycetin palmitate) for children.
Terramycin capsules or tablets.
Terramycin intravenous for injection.
Terramycin oral suspension for children.

4. Such hexamethonium salts or pentamethonium salts or other methonium compounds as are specified hereunder, and such other hexamethonium salts or pentamethonium salts or other methonium compounds as are from time to time approved by the Director-General of Health:
Hexamethonium bitartrate.
Hexamethonium bromide.
Hexamethonium iodide.
Pentamethonium bromide.
Pentamethonium iodide.
Pentapyzrolidinium bitartrate.

5. Such preparations of the materials specified in paragraphs 2 and 3 of this Schedule, and such similar substances or preparations, as are approved from time to time by the Director-General of Health.

SIXTH SCHEDULE Clause 5 (6)

MATERIALS INCLUDED IN THE DRUG TARIFF AS AUTHORIZED MIDWIFERY PHARMACEUTICAL REQUIREMENTS

Description of Material	Maximum Quantity for One Person
Cyllin	4 oz.
Dettol or Pynol or Streph	4 oz.
Dettol cream (not to be supplied with Dettol or Pynol or Streph)	1 tube.
Iodine, weak tincture of	2 oz.
Olive oil, or cotton-seed oil, or peanut-oil, or soya bean oil ..	3 oz.

NOTE.—Licensed maternity hospitals only may be supplied, for the treatment of patients only, with larger quantities of Cyllin, Dettol, Dettol cream, Pynol, or Streph, pursuant to a bulk supply order approved by the Medical Officer of Health.

SEVENTH SCHEDULE Clause 7

RULES FOR PRICING

SUBJECT to the discount, or discounts where applicable, provided for in clause 8 of the drug tariff, or in the case of a medical practitioner the discount of 10 per cent provided for in section 6 of the Social Security Amendment Act 1941, the prices of pharmaceutical requirements supplied pursuant to the Social Security (Pharmaceutical Supplies) Regulations 1941 shall be determined in accordance with the " Drug Tariff Rules for Prescription Pricing " specified herein.

1. *Prescription Pricing.*—The price to be charged for each prescription shall be calculated by adding together the following :

(*a*) The total selling price of the ingredients as shown in the First Schedule to the Prescription Pricing Schedules and Rules issued by the Pharmacy Plan Industrial Committee :

(*b*) The average container charge of 4d. per prescription specified in the Second Schedule to such Prescription Pricing Schedules and Rules as aforesaid. Except where a container and its contents are priced as a whole, a patient is liable for payment for, or for the supply to a contractor of, a suitable and clean glass container supplied pursuant to a second or subsequent order under any particular medical prescription :

(*c*) The appropriate dispensing fee as set out in the Third Schedule to the Prescription Pricing Schedules and Rules issued by the Pharmacy Plan Industrial Committee.

NOTE.—Any proportion of the basic unit selling price shall be calculated to the nearest penny as a direct proportion of that unit.

SEVENTH SCHEDULE—*continued*

RULES FOR PRICING—*continued*

2. *Computation of Selling Prices.*—The basis of all divisions of the pound or ounce or dram selling prices when shown in the said First Schedule, or when arrived at in accordance with these rules, is to calculate the pound as containing 16 oz., the ounce as containing 8 drams, and the dram as containing 60 grains or minims.

In the case of any substance specified in the said First Schedule at a cost per gallon or per pint, as the case may be, the selling price shall be calculated in appropriate ratio to the 16 oz. selling price.

Fractional parts of one grain other than exact half grains shall be calculated to the nearest half grain above the fractional part of a grain involved in a quantity ordered in a prescription.

3. *Items Not Listed in the First Schedule.*—Calculate the selling price as follows : pound, ounce, or unit cost wholesale (without sales tax), plus 50 per cent, plus sales tax (if any), equals pound, ounce, or unit selling price.

4. *Items Dispensed by Count.*—(1) If listed in the said First Schedule : calculate the price of number dispensed as an exact numerical proportion of the selling price shown in that Schedule.

(2) If not listed in that Schedule : calculate the selling price as follows : wholesale cost (without sales tax), plus 50 per cent, plus sales tax (if any), equals unit selling price. Broken quantities shall be calculated as an exact numerical proportion of the unit selling price.

5. *Discount.*—In pricing any uncompounded preparation supplied pursuant to a medical prescription, where the retail price (as shown in the said First Schedule or otherwise calculated in accordance with these rules), exclusive of dispensing fee and container charge, is in excess of 30s., the ingredient selling price shall be discounted by 10 per cent, but in no case shall such discount reduce the selling price of an ingredient below 30s.

Where under this rule an item is subject to an E.F.P. charge payable by the patient and the discount of 10 per cent is applied to the total selling price of an ingredient, such discount shall be divided *pro rata* between the amount payable by the patient and the amount payable from the Social Security Fund.

NOTE.—This rule shall not apply to insulin.

6. *Official Preparations Not in the First Schedule.*—Any B.P.C., B.P., or N.Z.F. preparations not included in the said First Schedule shall be priced in respect of the ingredients from a 16 oz. price in the case of preparations ordered in quantities over 2 oz., and from a 1 oz. price for quantities ordered up to and including 2 oz.

NOTE.—The 6d. minimum ingredient charge and extemporaneous dispensing fees listed in the said Third Schedule shall apply to the abovementioned preparations unless purchased compounded.

(See general rule in the Third Schedule to the Prescription Pricing Schedules and Rules issued by the Pharmacy Plan Industrial Committee.)

7. *Rounding Calculations.*—Calculations for each ingredient are to be rounded to the nearest penny, but exact halfpennies are to be so expressed. The final halfpenny is to be rounded upwards to the nearest penny.

8. *Minimum Charges.*—The minimum charge for any ingredient in a mixture is 1d.

The minimum total charge for all ingredients in a mixture is 6d.: Provided that where the total selling price of all the ingredients, including any that are not pharmaceutical requirements, exceeds 6d., the minimum charge shall not apply.

Definition: "Mixture" means any prescribed preparation requiring the admixture of two or more ingredients, including a vehicle or excipient.

9. *Water.*—Where the term "aqua" is used in a prescription without qualification, it shall be interpreted to mean ordinary potable water.

Distilled water shall be charged for only where specified on the prescription or where its use is necessary in conformity with standard dispensing practice.

Ordinary potable water is not regarded as an ingredient bearing a charge on a prescription.

10. *Bulk Supply Orders and Medical Practitioners' Supply Orders.*—(1) Payment from the Social Security Fund shall be based upon the cost price of the actual unit authorized, but shall not exceed the price which would have been payable had the amount been computed in accordance with the said First Schedule.

(2) No payment shall be made for containers.

(3) No payment shall be made for a dispensing fee, except in the case of a preparation compounded by the contractor.

(4) Before any discount provided for in the drug tariff is applied, the total price of any supply order, calculated in accordance with subclause (1) of this rule, shall be subject to a special discount of 10 per cent under this rule.

SEVENTH SCHEDULE—*continued*

RULES FOR PRICING—*continued*

11. *Proprietary Preparations.*—In respect of a medical prescription which orders, by reference to any trade mark, trade name, or maker's name, a product that is identical in composition, or is deemed by the Director-General of Health so to be for the purposes of these rules, with a pharmaceutical requirement specified in the drug tariff, a beneficiary under the Social Security Act 1938 shall be entitled to financial relief, in whole or in part, at the cost of the Fund to the extent specified in rule 1 of this Schedule, or, where that rule does not apply, to the extent specified from time to time by the Director-General for the purposes of these rules.

12. *Insulin Preparations.*—Payment in respect of the several forms of insulin allowed under the drug tariff shall be made on the basis of the cost price of insulin as approved from time to time by the Price Tribunal, plus 20 per cent on the cost price of the lowest priced insulin; the amount so computed to be the allowable margin on the higher priced brands, except that in no case shall less than a 15 per cent margin be allowed.

Except where the amount allowed at the cost of the Social Security Fund in respect of a particular form or brand of insulin is specified for the time being in the said First Schedule, the amount payable from the Fund shall be computed in accordance with this rule.

13. *Application to Prescription Pricing Supplement.*—For the purpose of payment of pharmaceutical benefits claims, the pricing of a medical prescription in accordance with rule 1 of this Schedule shall apply to the Prescription Pricing Supplement 1953/4, issued by the Pharmacy Plan Industrial Committee, in respect of all claims and supporting prescriptions, whatever the date thereof, that are received by a Medical Officer of Health on or after the 16th day of November 1953.

EIGHTH SCHEDULE Clause 14

MATERIALS THAT MAY BE SUPPLIED ON A MEDICAL PRACTITIONER'S SUPPLY ORDER

1. The following materials are allowed for emergency use:

Ampoules of adrenalin 1·0 ml.	6 ampoules
Ampoules of carbachol 0·25 mg. in 1 ml.	3 ampoules
Ampoules of nikethamide 2 ml.	3 ampoules
Hypotabs of atropine $\frac{1}{100}$ gr.	20 tablets
Hypotabs of morphine $\frac{1}{4}$ gr.	20 tablets
Vials of tetanus antitoxin (prophylactic)	2 vials

2. The following materials are allowed where necessary for the use of patients under medical treatment:

Ampoules of mersalyl	5 ampoules
Ampoules of liver extract for injection	6 ampoules
Ampoules of cyanocobalamin (B 12)	6 ampoules
Ampoules of sterile distilled water 2 ml.	12 ampoules
Ampoules of sterile distilled water 5 ml.	12 ampoules
Vials of penicillin (dry salt)	6 or 12 vials
Vials of procaine benzylpenicillin	6 or 12 vials
Vials of procaine benzylpenicillin with benzylpenicillin	6 or 12 vials
Tablets of amylobarbitone $1\frac{1}{2}$ gr.	25 tablets
Tablets of digoxin 0·25 mg.	12 tablets
Tablets of ephedrine hydrochloride 1 gr.	25 tablets
Tablets of glyceryl trinitrate $\frac{1}{100}$ gr.	12 tablets
Tablets of phenobarbitone 1 gr.	25 tablets
Tablets of sulphadimidine 0·5G.	100 tablets
Tablets of mepyramine maleate 50 mg.	12 tablets

NOTES.—(1) Where a strength is not specified in this Schedule, the medical practitioner shall state in the order the strength of the drug or preparation desired.

(2) The name and strength of any drug or preparation supplied in accordance with a medical practitioner's supply order shall be stated on the label at the time of issue, together with the name of the medical practitioner to whom the drug or preparation is supplied.

NINTH SCHEDULE Clause 15

DIRECTIONS REVOKED

Title	*Gazette* Reference
The Drug Tariff (September 1946) ..	30 January 1947, Vol. I, page 86.
Amendment No. 1	30 January 1947, Vol. I, page 88.
Amendment No. 2	30 January 1947, Vol. I, page 88.
Amendment No. 3	26 May 1949, Vol. II, page 1222.
Amendment No. 4	3 November 1949, Vol. III, page 2532.
Amendment No. 5	26 January 1950, Vol. I, page 58.
Amendment No. 6	2 March 1950, Vol. I, page 226.
Amendment No. 7	4 May 1950, Vol. II, page 528.
Amendment No. 8	27 July 1950, Vol. II, page 1038.
Amendment No. 9	26 October 1950, Vol. III, page 1897.
Amendment No. 10	1 February 1951, Vol. I, page 125.
Amendment No. 11	31 May 1951, Vol. II, page 784.
Amendment No. 12	2 August 1951, Vol. II, page 1103.
Amendment No. 13	11 October 1951, Vol. III, page 1493.
Amendment No. 14	1 November 1951, Vol. III, page 1646.
Amendment No. 15	31 January 1952, Vol. I, page 108.
Amendment No. 16	1 May 1952, Vol. II, page 753.
Amendment No. 17	31 July 1952, Vol. II, page 1296.
Amendment No. 18	11 December 1952, Vol. III, page 2025.
Amendment No. 19	12 February 1953, Vol. I, page 208.
Amendment No. 20	14 May 1953, Vol. II page 752.
Amendment No. 21	28 May 1953, Vol. II, page 837.
Amendment No. 22	13 August 1953, Vol. II, page 1322.

Dated at Wellington, this 2nd day of October, 1953.

J. R. MARSHALL,
Minister of Health.

EXPLANATORY NOTE

[*This note is not part of the Drug Tariff, but is intended to indicate its general effect.*]

THIS Drug Tariff sets out the medicines, drugs, and materials that may be supplied at the cost of the Social Security Fund by chemists and others who have contracted to supply them under the Social Security (Pharmaceutical Supplies) Regulations 1941. It also sets out the terms and conditions of supply, the procedure for the lodging and payment of claims on the Fund by contractors, and the rules for fixing the prices payable to contractors.

It replaces the Drug Tariff (September 1946) and its amendments, and puts together in one document the provisions previously contained in that tariff, together with a number of provisions that were previously in the New Zealand Formulary of pharmaceutical requirements. All these provisions have been rearranged and redrafted, with minor amendments, for the purpose of easier reference, and the materials now excluded or allowed under different conditions are listed in a series of Schedules with explanatory headings.

The only major change is the introduction of a new form of supply order, known as a medical practitioner's supply order, under which medical practitioners may order, in advance, supplies of certain drugs and materials required for emergency use and for the treatment of their patients (clause 14 and the Eighth Schedule).

Issued under the authority of the Regulations Act 1936.
Date of notification in *Gazette:* 8 October 1953.
These regulations are administered in the Department of Health.