



THE DRUG TARIFF 1990, AMENDMENT NO. 11

PURSUANT to section 99 of the Social Security Act 1964, the Minister of Health hereby gives the following direction.

DIRECTION

1. Title and commencement—(1) This direction may be cited as the Drug Tariff 1990, Amendment No. 11, and shall be read together with and deemed part of the Drug Tariff 1990* (hereinafter referred to as the Tariff).

(2) Clause 5 of this direction shall come into force on the 31st day of August 1992.

(3) Subject to subclause (3) of this clause, this direction shall come into force on the 1st day of September 1992.

(4) Clause 1 (3) of the Drug Tariff 1990, Amendment No. 10 is hereby amended by inserting, after the words “this direction”, the words “(as amended by the Drug Tariff 1990, Amendment No. 11) and the said Drug Tariff 1990, Amendment No. 11”.

2. Charges for requirements—The Tariff shall be read as if, for clause 5, there were substituted the following clause:

“5. (1) Subject to subclauses (2) to (4) of this clause, if any requirements are supplied to a patient as pharmaceutical benefits, they shall be so supplied free of charge to the patient, except that, if the requirements are to be delivered to the patient elsewhere than at the pharmacy or other place of business of the contractor, a reasonable charge in accordance with regulation 14 (2) of the regulations may be made for their delivery.

“(2) A contractor may charge a customer with—

“(a) The price of any requirements that are supplied in excess of the maximum quantities specified in this direction:

“(b) The lesser of—

*S.R. 1990/326

Amendment No. 1: *(Revoked)*

Amendment No. 2: *(Revoked)*

Amendment No. 3: *(Revoked)*

Amendment No. 4: *(Revoked)*

Amendment No. 5: *(Revoked)*

Amendment No. 6: *(Revoked)*

Amendment No. 7: *(Revoked)*

Amendment No. 8: *(Revoked)*

Amendment No. 9: *(Revoked)*

Amendment No. 10: S.R. 1992/232

“(i) Any amount that (subject to clause 6B of this direction) is required by clause 6 or clause 6A of this direction to be subtracted from the payment for it; and

“(ii) The total payment due (or any part of it):

“(c) In the case of a requirement (other than an antibiotic, antidepressant, or antipsychotic, or a Class B controlled drug) prescribed on a prescription for a quantity sufficient for use for 1 month or more and dispensed in a quantity smaller than a quantity sufficient for use for 1 month, the amount (if any) by which all costs in fact incurred in dispensing the quantity dispensed, or any quantity or quantities dispensed earlier on the prescription, exceeds the sum of—

“(i) All costs that would have been incurred in dispensing the quantity dispensed, and any quantity or quantities dispensed earlier on the prescription, in quantities sufficient for use for 1 month (together with any necessary smaller final quantity); and

“(ii) All charges made under this paragraph in respect of any quantity or quantities already dispensed on the prescription:

“(d) In the case of a requirement (other than an antibiotic, antidepressant, or antipsychotic, or a Class B controlled drug) prescribed on a prescription for a quantity sufficient for use for less than 1 month and dispensed in a quantity smaller than the quantity prescribed, the amount (if any) by which—

“(i) All costs in fact incurred in dispensing the quantity dispensed, or any quantity or quantities dispensed earlier on the prescription; exceeds

“(ii) The costs that would have been incurred in dispensing the quantity prescribed as 1 quantity:

“(e) In the case of a requirement (other than an antibiotic, antidepressant, or antipsychotic, or a Class B controlled drug) prescribed for treatment for a period of less than 1 month (in this paragraph referred to as the latest period) in respect of a condition for which that requirement has been dispensed for treatment for a period that, when added to the latest period, is not less than 1 month, the amount (if any) by which all costs in fact incurred in dispensing (during the period of 1 month ending with the close of the latest period after the most recent dispensing of the requirement) the quantity dispensed, or any quantity or quantities of the requirement prescribed for treatment for that condition on any prescription, exceeds the sum of—

“(i) The costs of dispensing as a single quantity an amount of the requirement sufficient for treatment for that condition for 1 month; and

“(ii) All charges made under this paragraph during that month in respect of any quantity or quantities of the requirement prescribed for treatment for that condition already dispensed:

“(f) In the case of a requirement that is a preparation prescribed by a practitioner, all or any part of—

“(i) 150 percent of the amount by which the price the contractor paid for it exceeded 0.80 of its selling price (where the contractor obtained it from the source from which it was

available most cheaply in the form in which it was prescribed);
or

“(ii) 150 percent of the amount by which the price the contractor would have paid for it if the contractor had bought it from the source from which it was available most cheaply in the form in which it was prescribed exceeded 0.80 of its selling price (where the contractor did not obtain it from the source from which it was available most cheaply in the form in which it was prescribed),—

together with any GST payable by the contractor in respect of the amount charged.

“(4) A contractor who dispenses a requirement as a pharmaceutical benefit (otherwise than in a pharmacy to which section 46 of the Pharmacy Act 1970 applies) at any time not within the ordinary hours of shop trading in the locality in which the contractor carries on business may charge the customer any sum the contractor thinks fit.”

3. Calculation of payments for requirements—(1) The Tariff shall be read as if, for clause 6, there were substituted the following clauses:

“6. Calculation of payments for requirements other than hypodermic syringes and hypodermic needles—Except in the case of a requirement supplied on a bulk supply order or practitioner’s supply order, payment for a requirement (other than a hypodermic syringe or hypodermic needle) when dispensed shall be calculated by adding together—

“(a) Where the contractor does not compound it from ingredients, the selling price; and

“(b) Where the contractor compounds it from ingredients, at the option of the contractor, either—

“(i) The total selling price of its ingredients; or

“(ii) For each ingredient, the average ingredient price (if any) for the time being agreed by the Director-General and Pharmacy Guild of New Zealand (Inc.) for the purposes of this paragraph; and

“(c) Whether or not it is dispensed in a container,—

“(i) The amount specified in the Second Schedule to the Pricing Schedules for the average container charge; and

“(ii) If it is dispensed in a container with a child-resistant closure, the amount specified in that schedule for such a closure; and

“(d) The appropriate professional fee set out in the Third Schedule to the Pricing Schedules; and

“(e) If it is the residue of a quantity of a Class B controlled drug that was prescribed as an initial supply but could not, at the time of initial dispensing, be supplied in that quantity, the appropriate additional fee set out in that schedule; and

“(f) The amount (if any) of GST payable in respect of the dispensing of the requirement,—

and, subject to clause 6B of this direction, subtracting \$20.

“6A. Payments for hypodermic syringes and non-disposable hypodermic needles—Payment to a contractor for hypodermic syringes, and non-disposable needles for hypodermic syringes, shall be computed by adding together—

“(a) The importer’s selling price for them; and

“(b) 42.31 percent of that price; and

“(c) The appropriate professional fee,—
and, subject to clause 6B of this direction, subtracting \$20.

“6B. **Abatements**—(1) Subject to subclauses (3) to (7) of this clause, in the calculation under clause 6 or clause 6A of this direction of payment for a requirement, only \$7.50 shall be subtracted if—

“(a) The person for whom it is prescribed is a group 2 cardholder; and

“(b) The prescription concerned is either endorsed to that effect by the practitioner concerned or (where the contractor concerned is satisfied that the endorsement or lack of endorsement of the practitioner is erroneous) endorsed to that effect, and initialled, by the contractor; and

“(c) The prescription relates only to requirements prescribed for the person.

“(2) Subject to subclauses (4) to (7) of this clause, in the calculation under clause 6 or clause 6A of this direction of payment for a requirement, only \$5 shall be subtracted if—

“(a) The person for whom it is prescribed is a high use cardholder, a group 1 cardholder, or a dependent child of a group 1 or group 2 cardholder; and

“(b) The prescription concerned is either endorsed to that effect by the practitioner concerned or (where the contractor concerned is satisfied that the endorsement or lack of endorsement of the practitioner is erroneous) endorsed to that effect, and initialled, by the contractor; and

“(c) The prescription relates only to requirements prescribed for the person.

“(3) Subject to subclauses (4) to (7) of this clause, in the calculation under clause 6 of this direction of payment for a contraceptive prescribed on a prescription relating only to contraceptives prescribed for one person, only \$5 shall be subtracted.

“(4) In the calculation under clause 6 or clause 6A of this direction of payment for a requirement, no sum shall be subtracted if the contractor concerned—

“(a) Is satisfied that the person for whom it is prescribed is, or is a member of, a family unit who or that has already obtained 15 or more requirements (being requirements in respect of which any amount is, subject to clause 6B of this direction, required by clause 6 or clause 6A of this direction to be subtracted) in the year ending immediately before the following 1st day of February; and

“(b) Has endorsed the prescription concerned to that effect and initialled it.

“(5) For the purposes of subclause (4) of this clause, requirements prescribed on a prescription shall be treated as having been dispensed and obtained consecutively.

“(6) No sum shall be subtracted in the calculation under clause 6 of this direction of payment for a Class B controlled drug (other than methylphenidate hydrochloride or dexamphetamine sulphate).

“(7) No sum shall be subtracted in the calculation under clause 6 or clause 6A of this direction of payment for a requirement dispensed for a person when the person is resident in the Hokianga Ward of the Far North District.”

4. Computation of selling price—(1) Clause 8 (2) of the Tariff shall be read as if, for the expression “142”, there were substituted the expression “137.7”.

(2) Clause 8 of the Tariff shall be read as if, for subclause (9), there were substituted the following subclause:

“(9) Where—

“(a) A practitioner has endorsed a prescription for a requirement that is a medicine stable for a limited period only with the words ‘unstable medicine’ and a specification of the maximum quantity that may be dispensed at any one time; or

“(b) The contractor concerned has endorsed a prescription for a requirement that is a medicine stable for a limited period only with the words ‘unstable medicine’ and a specification of the maximum quantity that, in the contractor’s opinion, should be dispensed at any one time in all the circumstances of the particular case; or

“(c) A practitioner has endorsed a prescription for a requirement for a patient who, in the practitioner’s opinion, needs close control of access to requirements of that kind with the words ‘close control’ and a specification of the maximum quantity that may be dispensed at any one time,—

payment shall be made by adding together the total selling price of the quantity of the requirement dispensed on each occasion, and the appropriate professional fee; but the Department may in its discretion refuse to pay the container allowance in respect of any second or subsequent dispensing.”

5. Revocations—Clauses 3 to 5 of the Drug Tariff 1990, Amendment No. 10 are hereby revoked.

Dated at Wellington this 24th day of August 1992.

M. WILLIAMSON,
for Minister of Health.

EXPLANATORY NOTE

This note is not part of the direction, but is intended to indicate its general effect.

This direction amends provisions of the Drug Tariff 1990 relating to the calculation of payments for pharmaceutical requirements. The amendments take effect on 1 September 1992, which is the day the Drug Tariff 1992, Amendment No. 10 is to come into force; but clause 5 of this direction, which revokes equivalent provisions of the Drug Tariff 1990, Amendment No. 10, takes effect on 31 August 1992 (that is to say, before those equivalent provisions were due to take effect).

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 27 August 1992.

This direction is administered in the Department of Health.