



## THE DRUG TARIFF 1990, AMENDMENT NO. 7

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

### ANALYSIS

1. Title and commencement 2. Interpretation 3. Charges for requirements 4. Calculation of payments for requirements 6. Calculation of payments for requirements other than	hypodermic syringes and hypodermic needles 6A. Payments for hypodermic syringes and non-disposable hypodermic needles 6B. Abatements 5. Clauses 18 and 19 of Tariff
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### DIRECTION

**1. Title and commencement**—(1) This direction may be cited as the Drug Tariff 1990, Amendment No. 7, and shall be read together with and deemed part of the Drug Tariff 1990\* (hereinafter referred to as the Tariff).

(2) This direction shall come into force on the 1st day of February 1992.

(3) For the purposes of its application after the commencement of this direction, the Tariff shall have effect as if the amendments effected to it by this direction and the amendments effected to it by the Drug Tariff 1990, Amendment No. 5 (as amended by the Drug Tariff 1990, Amendment No. 6 and this direction) and the Drug Tariff 1990, Amendment No. 6 (as amended by this direction) are the only amendments that have ever been made to it.

(4) Subclause (3) of this clause does not affect the validity or consequences of anything done before the commencement of this direction.

\*S.R. 1990/326

Amendment No. 1: *Revoked*

Amendment No. 2: *Revoked*

Amendment No. 3: *Revoked*

Amendment No. 4: *Revoked*

Amendment No. 5: S.R. 1991/244

Amendment No. 6: S.R. 1991/261

**2. Interpretation**—(1) Clause 2 (1) of the Tariff shall be read as if there were inserted, in their appropriate alphabetical order, the following definitions:

“‘Couple’ means a man and woman who are either—

“(a) Legally married to each other, and not living apart; or

“(b) Living together in a relationship in the nature of marriage:

“‘Family unit’ means—

“(a) A couple, and one or more dependent children of one or other or both of them; or

“(b) A couple with no dependent children; or

“(c) One person and one or more dependent children; or

“(d) One person who is not a member of a family unit of a kind described in paragraphs (a) to (c) of this definition:

“‘Group 1 cardholder’ means the holder of an unexpired group 1 card (within the meaning of regulation 2 of the Social Security (Entitlement Card) Regulations 1991):

“‘Group 2 cardholder’ means the holder of an unexpired group 2 card (within the meaning of regulation 2 of the Social Security (Entitlement Card) Regulations 1991):

“‘High use cardholder’ means the holder of an unexpired high use health card issued under regulation 4 of the Social Security (Medical Fees) Regulations 1986:”.

(2) Clause 2 (1) of the Drug Tariff 1990, Amendment No. 6 is hereby revoked.

(3) Clause 2 of the Drug Tariff 1990, Amendment No. 5 is hereby consequentially amended by omitting the definition of the term “family group”.

**3. Charges for requirements**—(1) Clause 5 (2) (b) of the Tariff shall be read as if, for subparagraph (i), there were substituted the following subparagraph:

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

(2) Clause 5 of the Tariff shall be read as if subclause (5) were omitted.

(3) Clause 3 of the Drug Tariff 1990, Amendment No. 5 is hereby consequentially amended by revoking subclause (3).

**4. 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) 47.16 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—

“(i) Is a Guaranteed Retirement Income earner, a high use cardholder, a group 1 cardholder, or a dependent child of a group 1 or group 2 cardholder; or

“(ii) Has turned 65; 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.”

(2) Clause 4 of the Drug Tariff 1990, Amendment No. 5 and clause 4 of the Drug Tariff 1990, Amendment No. 6 are hereby consequentially revoked.

**5. Clauses 18 and 19 of Tariff**—(1) The Tariff shall be read as if clauses 18 and 19 were revoked.

(2) Clauses 10 and 11 of the Drug Tariff 1990, Amendment No. 5 and clauses 5 and 6 of the Drug Tariff 1990, Amendment No. 6 are hereby consequentially revoked.

Given at Wellington this 19th day of December 1991.

M. WILLIAMSON,  
for Minister of Health.

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#### EXPLANATORY NOTE

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

This direction, which comes into force on 1 February 1992, amends the Drug Tariff 1990 so as to put into effect the policies relating to the payment of prescription charges announced in the Budget; but leaves in place the system at present operating in the Hokianga district.

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

Date of notification in *Gazette*: 20 December 1991.

This direction is administered in the Department of Health.