

17 April 1963.

## IMPORTANT

Clinical Services Letter No. 32

TO MEDICAL PRACTITIONERS:

Dear Doctor,

### SOUTH ISLAND EXPERIMENT A FAILURE

We regret to announce that the effect of lifting the period of supply restrictions in the South Island in July 1962 has been so unsatisfactory that it is deemed necessary to revert to the original position without delay.

#### PERIOD OF SUPPLY

From the date of receipt of this letter doctors resident in the South Island are requested to observe the usual restrictions as to period of supply, viz:

(a) Ordinary prescriptions: Up to seven days' supply, plus one similar "repeat".

(b) Prescriptions endorsed "Extended supply ..... months": from one to three months' supply.

These restrictions will be strictly applied throughout the Dominion as from 1 May.

#### METHOD OF ANALYSIS

The method used was to compare the pharmaceutical cost per head of population in the South Island with the figure for the North Island. This was expressed as a percentage, i.e.

$$\frac{\text{S. Island Cost per head} \times 100}{\text{N. Island Cost per head}}$$

In the 36 months up to the commencement of the experiment this figure was less than 100 in all except three months, each of these being December. On only two other occasions did it exceed 95 per cent.

#### RESULTS

Comparing the eight months July 1962 - February 1963 with the corresponding period in the preceding three years, there has been a marked increase since the experiment began.

P.T.O.

Cost Per Head of Population: South Island as a Percentage of North Island

	%
1959-60 .....	88.6
1960-61 .....	90.8
1961-62 .....	90.4
1962-63 .....	96.6

Monthly Figures: 1962-63 Compared with 1961-62

	1961-62	1962-63
February .....	96%	91%
March .....	88%	88%
April .....	96%	95%
May .....	93%	87%
June .....	92%	91%
Experiment began about 11 July 1962 → July .....	91%	<b>91%</b>
August .....	92%	<b>99%</b>
September .....	90%	<b>98%</b>
October .....	92%	<b>98%</b>
November .....	82%	<b>102%</b>
December .....	111%	<b>92%</b>
January .....	81%	<b>95%</b>
February .....	91%	<b>96%</b>

GENERAL MEDICAL SERVICES

The cost in the South Island has been a little higher in the period under review than in the past three years, so there has been no obvious saving in that direction.

COMMENT

The situation has been examined in much greater detail than can be reported here, and it is clear that continuation of the experiment could not be justified. This is a great disappointment. We believed, as did so many others, that these restrictions were of little or no value in controlling costs. It appears that we were mistaken.

Yours faithfully,

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