

12 May 1965.

## CLINICAL SERVICES LETTER No. 51

### TO MEDICAL PRACTITIONERS

Dear Doctor,

#### WHO CONTROLS THE DRUG TARIFF?

The Drug Tariff is a ministerial direction,\* not a regulation. Three times a year the Minister of Health issues amendments to the Drug Tariff.

This is what happens:

#### *Applications*

Anyone may make recommendations about alterations to the Drug Tariff, but nearly all applications for the inclusion of new drugs come from the pharmaceutical industry. The firm concerned is expected to supply this division with all relevant information, including reprints of reports in reputable journals, and the names of doctors in this country who have used the drug. The opinions of these doctors are then sought by direct inquiry from this office.

#### *Pharmacology and Therapeutics Advisory Committee*

This committee now meets three times a year, and considers about a hundred applications for new drugs yearly. Apart from the chairman (the Director of Clinical Services), all members are independent persons in active practice, who undertake this work in a voluntary capacity. They are:

Professor J. D. Hunter, professor of medicine.

Dr G. G. Jenner, general practitioner.

Mr K. Rees-Thomas, surgeon.

Dr J. M. Twigg, physician.

Dr J. M. Watt, paediatrician.

Dr Morvyn Williams, physician.

Information about the drugs to be considered is distributed about a fortnight before each meeting. A complete set of all available information on each drug is sent to three members selected according to their interests, summaries being supplied to the other three. At the meeting the members who have made a special study of a drug speak first, and a general discussion follows. In doubtful cases further advice may be sought from specialist groups or individuals, particularly in regard to specialties not represented on the committee.

\*Under the authority of the Social Security Act 1964 (Sec. 99).

## *Pharmaceutical Advisory Committee*

This committee of pharmacists (mainly retail, but including two representatives from manufacturing firms) is given an opportunity to discuss the recommendations of the Pharmacology and Therapeutics Committee before they are placed before the Minister of Health. They are principally concerned with the commercial aspect.

### *Policy*

The policy of the Department is to implement the recommendations of the Pharmacology and Therapeutics Committee with the least possible delay. When there is no dissentient opinion in the committee itself, their advice is invariably accepted, although of course matters may be referred back for reconsideration if the Pharmaceutical Committee disagrees, or if new evidence comes to notice. No action is taken on any proposal if one or more members are not prepared to support it.

#### *Points in the committee's policy:*

- Drugs accepted must be safe.
- They must be of established value, and at least equal to existing preparations.
- Combinations of drugs are not accepted unless they have special advantages.
- New drugs are usually made available in the first instance through hospital dispensaries.

### *Safety*

Close liaison will be maintained with the recently established New Zealand Committee on Adverse Drug Reactions, which has the cooperation of the Dunlop Committee.

### *Combinations of Drugs*

The committee feels that the use of drugs in fixed combinations is generally undesirable. The separate components are normally available in the Tariff. It is better medicine, in most cases, to have drugs compounded extemporaneously, even at greater cost, than to be tied to a fixed ratio of dosage. Combinations with special advantages may be accepted, however. For example, tablets of reserpine, thiazide, and potassium were included in order to reduce the necessity for old people to take several tablets at a time.

### *"Hospital Board" Drugs*

Only moderate use is made of any drug which is supplied solely through hospital dispensaries. This means, with new drugs, that they can be further evaluated before being released through chemists. The demand for drugs which are valuable for special purposes (e.g., certain antibiotics) can be kept within bounds in the same way.

The list of "hospital board" drugs is reviewed thrice yearly when the committee meets, with the object of reducing restrictions if possible.

### *Cost*

Drug prices are kept under constant scrutiny from the following viewpoints:

- (a) The price of the same drug on the U.K. market.
- (b) The cost of other drugs in the same therapeutic class.
- (c) The price of a similar preparation compounded by a retail chemist.

If it is impossible to reach agreement by negotiation with a drug firm as to what is considered a reasonable price, an extra charge to the patient may be applied, or the drug may be excluded from the Tariff. Drugs with outstanding therapeutic advantages, or for which there is no adequate substitute, are included in the Tariff without any extra charge, even if the price is believed to be excessive. The advice of the committees is obtained in every case. Rather than impose extra charges, the committees prefer not to accept drugs as effective as others already in the Tariff, but no better, if the price is not satisfactory.

Extra charges inevitably lead to complaints by patients; but the Department has a duty to the taxpayer not to continue to pay what appears to be an excessive price. In many cases the only reasonable alternative to a charge would be to delete a particular brand from the Tariff, thereby imposing an even greater burden on the individual patient. Charges are not normally applied unless there is some similar preparation, which is considered to be equally effective, available as a full charge.

#### Deletions

Most deletions are of outmoded preparations which have been removed from the official publications. (B.P. or B.P.C.)

Yours faithfully,

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