The Dispensing Issue Revisited Again

By A/Professor Goh Lee Gan

"The wisdom is that we need to go for not only cost effective drugs but for cost saving drugs, ...Only these drugs actually save dollars."

By Davidoff F.

One of the privileges of the Singapore patient is that his doctor can dispense him the medicines at the end of the consultation most of the time. There are exceptions of course. An example is a situation where the medicine needed is seldom dispensed by his doctor. In such situations, the patient is given a prescription for the medicine to be filled at the pharmacy. There are also patients who wish to fill their medicines at the pharmacy for various reasons. They too should be given a prescription to be filled at the pharmacy.

FREQUENT ERUPTIONS

In this editorial, we revisit the dispensing issue again. This is an evergreen issue where periodically the pharmacists and their supporters try to put the doctors down with insinuations that they charge too much for medicines and pair this with a call for a dispensing by pharmacists only. The premise is that the pharmacists could keep the cost of medicines down.

The last eruption to hit the public media was in early April 2001. There were two strident articles. These were "Why do drugs cost so much?" (ST 2 Apr 01, H6) and the Straits Times Editorial "Truly bitter medicine" (4 Apr 01). One doctor did reply to try to provide a balanced view to the pharmacy-only dispensing issue but his voice was not heard. His letter to the ST Forum Page has to-date not been published.

Dr Boon Seng Poh gave his letter to us and it was published in our SMA News in the May issue. It is worth reading again in the context of this editorial.

MANY REASONS FOR THE DISPENSING PRACTICE

The arrangement of the dispensing practice in Singapore no doubt, grew out of convenience and is also partly historical. In the good old days, there was only a handful of drug houses in Singapore. There were certainly not enough pharmacists then to man the drug houses let alone clamour that dispensing should be pharmacy-only.

Even today, in countries like the UK, there are dispensing practices, such as in rural areas where it is not economically viable for the pharmacy to be set up.

The issue of dispensing or not needs to be looked at from several angles: convenience, cost of providing the service, and the ability to keep price down because there is a choice for the patient. There are also economic disadvantages that need to be considered of either arrangement.

THE ACCUSATION OF OVERCHARGING FOR MEDICINES

Many doctors have perpetuated the misconception that consultation is free and the fee charged is for medicines. In trying to put the consultation fee into the medicine fee, it made the doctors look very bad. It also gave the GPs a poor image - his consultation is not worth even a cent.

The SMA has done surveys and worked out the overhead costs and the doctor's salary that need to be paid and computed the fees that need to be charged as his consultation fee. These were reported in two papers in the SMJ (Ref 1 & 2) and in the SMA News (Aug 1996). There are now guidelines on the GP short and long consultation fees.

SMA DOES HAVE PRICING OF MEDICINE GUIDELINES TOO

The ST 2 Apr 01 article, stated that "Currently, there are guidelines set by the Singapore Medical Association on the price of consultation, but none whatsoever on the pricing of medicine". Such guidelines do exist.

In 1998 the SMA issued a set of guidelines in the publication titled "The Medical Profession and Pharmaceuticals". Part I of the three-parter deals with "In-clinic dispensing: principles and practices". This publication was given to all SMA members. It is still available to the public and the medical profession. A summary of the guidelines is found in page 4.

ANOTHER ACCUSATION

The ST 2 Apr 01 article was also misleading as it indicated that prices at a private specialist's clinic were unreasonably higher. The survey was certainly not wide enough or extensive enough and is at best anecdotal

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information. This will definitely be misleading to the public. Prices at some private specialist clinics may indeed be priced higher, but this could be the result of several things such as the higher overheads of such practices compared to the public sector. At any rate, the SMA has always advocated fair and competitive pricing of medicines amongst its general practice and specialist members.

SMA NEED NOT FIGHT TOOTH AND NAIL

The ST Editorial on 4 Apr 01 argued that cost of drugs can be better managed if we "create a two-tier regime under which doctors only prescribe, and pharmacists, dispense. High mark-ups by doctors have long been a bane". More specifically, it claims, "The Medical Association will fight tooth and nail to retain doctors' lucrative privilege, which is legitimate".

The SMA need not do that. Doctors will continue to dispense so long as patients' interests are served. The points to note are:

a) The patient has a choice where he or she chooses to have his prescription filled. The patient is not locked into the situation where he or she has no choice.
b) Drug dispensing has arisen from historical practice when there were few pharmacies around. Today, there is a clamour for pharmacy-only dispensing because there are many pharmacies in the market and in-clinic dispensing stands in their way. Since in-clinic dispensing is at a comparable price to the pharmacy, this is convenient for the patient. There is no need to go to the pharmacy after seeing the doctor. This convenience will be most felt in a situation where one or more of the following circumstances operate: when the illness is acute and medicine is required immediately; it is after office-hours; and the pharmacies are closed.
c) There is also the price control effect that may be lost in insisting that doctors do not dispense. As it stands today, there is competition between pharmacies and doctors providing in-house dispensing. Such competition can only bring down retail drug prices. Hence, the answer to lower drug prices cannot be by demolishing this competition in favour of a monopoly.

DRUG COSTS

Quite by serendipity, an editorial in the Annals of Internal Medicine, dated 5 June 2000 and titled 'The Heart Break of Drug Pricing' gave a good analysis, sharp insights and valuable answers to the drug cost problem. Indeed it should be read by every manufacturing firm, pharmacists, politicians, the public and certainly the press. The wisdom is that we need to go for not only cost effective drugs but for cost saving drugs, that is, drugs that are not only more effective clinically but also are less costly than comparative treatment. Only these drugs actually save dollars. Only 17% of drugs in a selective compilation were found to be cost saving. What is more, 'among the various therapies studied, the median cost-effectiveness was lower (better) for surgical procedures and for improved care delivery systems than it was for pharmacueticals.' So, pharmacy-only dispensing is certainly not the answer.

The author's call in the editorial is for the 'pharmaceutical industry to reduce the price of drugs voluntarily'. There are several reasons given why this will be a win-win for everybody, including the pharmaceutical industry. Finally, if one is thinking of investing in the pharmaceutical industry for 'discovery genomics', the editorial has this to say: 'the sober reality is that its dazzling promise will almost certainly be ex-tremely difficult to realise.'

THE WAY AHEAD

The best solution in the dispensing issue is to look at the issue from the patient's view point and meet his or her needs. There will always be a place for both the dispensing practice and the pharmacy to exist side by side to complement one another and fill in the gaps of service for the patient.

The SMA has met up with the Health Services Authority to discuss the subject of drug costs. The final retail price of medicine is dependent on several factors, namely the manufacturer's costs of doing business and pricing strategy of various parties in the supply chain. A review can be made to see where savings on cost of medicines could be passed on to the patient.

There is also a need for up-to-date information for the public and the medical profession on the comparative advantages of various medications in the market to treat a given condition. Not everyone needs to pay the extra price for a more convenient schedule of taking medicine. Lack of certain side effects of more expensive equivalent new drugs may not benefit particular patients. Such information could be made available on the website for doctors and patients to refer to.

Not with standing such available information, patients would still benefit from the advice of their trusted doctors on the appropriateness, effectiveness, safety, cost and convenience as criteria to choose the medication for a particular individual. Therefore the public should work hand-in-hand with doctors whom they have a trusting relationship. ■

References:

1. *Goh LG, Cheong PY, Phua KH. Calculating the GP consultation fee in Singapore: towards a rational costing approach. Singapore Med J 1993 Dec;34(6):496-9.*
2. *Singh K, Goh LG, Sandhu K, Cheong PY. 1996 survey of housing estate practice costs and GP fees in Singapore. Singapore Med J. 1997 May;38(5):192-9.*
3. *Davidoff F. The heartbreak of drug pricing (editorial). Annals of Internal Medicine, 5 Jun 2000, 134:11:1068-70.*

WHAT IT SHOULD BE

On page 9 of the May issue of SMA News, in the Eulogy to Dr Wong Poi Kwong, his birthdate should be "17 March 1925". We apologise for the typographical error.