

Time to resolve the professional anomaly of private prescription pricing

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The private prescription market is frustratingly mixed up because of a lack of sufficient and explicit control on pricing. Recently, when I estimated a private prescription charge according to our store protocol, the customer said she could get it a lot cheaper at another multiple. A second customer haggled once I gave a price of £33, saying he had been quoted £25 elsewhere. He went to double-check and returned saying that the price had been misquoted; it was now £28.50. As a gesture of goodwill, I declared a final offer of £30, which he accepted. On a third occasion, a man showed me a leaflet obtained from his doctor on receiving the private prescription. The leaflet, from a UK-based internet company, was quoting at near trade prices. He conceded that he could obtain the item from me immediately rather than wait for it to be delivered by the internet company, so opted to deal with me at a locally competitive price, rather than the price quoted on the leaflet.

Issues of concern that arise from the above include potentially unfair advertising or service promotion and unfair pressure to act in a laissez-faire market driven by price alone. Also, the customer may eventually lose out on choice of availability and perhaps be subject to inferior counterfeit products.

How can we value our professional worth beyond idealistic, materially gratis altruism when forced, literally, to devalue our service past the point of no realistic return? Retail price maintenance was introduced to emphasise that medicines are not ordinary articles of commerce. Surely this status has not been removed. Not only this, but the Chancellor of the Exchequer, in a speech on health in 2003, said that in health care the consumer is not sovereign. Is there not a justifiable argument that, at the very least, this be reflected in the sale of POMs? A reasonable mark-up has an

implicit sense of applying a professional fee, similar to that included in recompense of NHS prescriptions.

A recommended scale of fees was abolished in 1989 because the Office of Fair Trading viewed it as anti-competitive and restrictive to trade. But I believe it needs to be re-established. What about other professions? Is it not common practice to be able to quote a professional fee? What of tradesmen? Do they not consider labour as part of their bill?

That such a fee may vary would be expected but let it vary around the "norm" as generally applied — a fair price for the job undertaken — not around "nothing". Technically, no restrictions apply to the price charged for dispensing a private prescription so a pharmacist can waive his fee and the cost of the medicine on occasions where, in his discretionary, professional judgement, it would be in the patient's medical interest. What he should not have to do is vary professional fees according to commercial pressures.

An article in *The Times* of 5 March 2005 argued the need for standardisation of price, irrespective of public or private purchase, from the patient's point of view. But it was disappointing that no information was given as to the reason for the lack of price standardisation, namely, the involvement of the OFT, whose actions, ostensibly for patient benefit, resulted in its loss.

The Royal Pharmaceutical Society acknowledges that, currently, a dispensing, professional fee is a usual component in the price of private prescriptions. When is it not? "Usual" should not be the case; "always" should. If the fee is waived, then fine, but be explicit. Let the price of drugs quoted by those who choose to advertise be clear about how the price was obtained. Let us have transparent pricing where the professional fee element is quoted or expressed to be included, as occurs with tax

(eg, inc VAT). If the fee is waived, then say so. A current analogy would be the controversial advertising of prices in the price wars of budget airlines. Maybe then the small independent pharmacist could have a fighting chance to appeal to the altruistic character of the supposedly rich, private patient.

What of this recommended private prescription price? Why is it any

different from a recommended retail price exclusive of VAT? In the March 2005 edition of MIMS, eight medicines have a quoted "private prescription price excl VAT". The trade price, the private prescription price, the difference and the percentage this is of the trade price are shown in the Table. Were we genuinely to consider the recommendation of an explicit professional fee element then we have a range of options to choose from:

- Applying the apparent industry norm of 50 per cent mark-up
- A range around this to include a minimum charge that represents a fair price considering the NHS levy (see *PJ*, 9 October 2004, p524)
- The explicit mention of inclusion or waiving of the professional fee

Alternatively, we could record the time involved in filling out a private prescription and apply the current hourly rate pro rata. Could this apparently normal practice in many other professions have contributed to the much-fussed-about £32 charged by a hospital for 30 haloperidol tablets (*PJ*, 9 October 2004, p524)?

Once an explicit, recommended sale price component to reflect the professional and legal status of service provision is established and which all concerned would commit to applying to the sale of POMs, then how an individual pharmacist allows for price variation in type (brand versus generic, blister versus bulk) and quantity supplied is a matter of business acumen and conscience. For example, we are all aware of problems with split packs. A price based on the principle of broken bulk claims applied to NHS prescriptions would be justified and offers leverage if negotiation on price ensued. The pharmacist certainly needs to consider the likelihood of supplying the remainder or the consequence of writing it off once past its expiry date.

Otherwise, why bother? Who among us would fill out a private prescription for a P medicine irrespective of price (not market authorisation)? Most might argue: why be so concerned? Surely there is not sufficient business to justify such interference? Maybe, maybe not. Are principle of worth and value of the profession not reasons enough?

As more high-tech drugs become available and NHS funding becomes more limited, the number of private prescriptions is likely to increase. Should we not resolve this professional anomaly soon, while time and tempers are in our favour?

Table: Private prescription prices quoted in MIMS, March 2005 edition

Medicine	Quantity	Trade price	Private Rx price	Difference	% of trade price
Cobalin-H	5 x 1ml	£12.49	£18.74	£6.25	50%
Cytamen	5 x 1ml	£8.33	£12.50	£4.17	50%
Distalgesic	100	£1.42	£2.13	£0.71	50%
Librium 5mg	100	£4.35	£6.53	£2.18	50%
Librium 10mg	100	£6.04	£9.06	£3.02	50%
Mogadon	30	£4.66	£6.99	£2.33	50%
Neo-Cytamen	5 x 1ml	£12.49	£18.74	£6.25	50%
Normax	63	£13.46	£20.19	£6.73	50%