

IMSA notice to Health Care Providers 07-03-05

IMSA - Truths behind the Single Exit Price (SEP)

Dear Fellow Healthcare Providers;

Some of you may have received a communication from Netcare and Netpartners criticising IMSA's involvement in the matter of the pricing regulations.

IMSA has been criticised for its role as amicus in the forthcoming Constitutional Court case on March 15th and 16th 2005. We would like to share with you the following relevant facts that demonstrate the inappropriateness of these criticisms:

- We have not intervened as a litigating party.
- We have not entered these proceedings at a late stage but as soon as the rules of the Constitutional Court allowed it
- We are entering as an independent Amicus, better known as "A Friend of the Court". The Treatment Action Campaign (TAC) has also made a submission as amicus.
- We have submitted our thoughts around only the Single Exit Price – the approach primarily involves legal arguments which have not previously been raised by any other party.
- We have not prejudiced any party concerning the level of the dispensing fee for providers.
- **We reiterate our independence from all litigating parties**

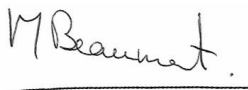
We believe manufacturers have an obligation to enter the debate on the Single Exit Price as it determines the only price at which a medicine can enter the SA private market. It is a manufacturing issue only and invalidating it will have negative consequences. The benefit from the reduction of ex-manufacturer medicine prices to patients and on the medical schemes projected patient benefits which are based on the current SEP would be lost.

Let us not confuse the two key issues! The SEP bears no relation to the level of the dispensing fee. It is a completely separate issue. We do recognize the need for fair compensation for all stakeholders including pharmacists and dispensing doctors.

As IMSA we share a common belief that we need to play a role in the changing healthcare environment, not by litigation, but through constructive dialogue with all South African health care stakeholders. We have in no way, in our court document, sought to discredit or undermine the position of any party involved in the litigation.

We welcome constructive face to face dialogue with all healthcare stakeholders working towards sustainable increased access to quality healthcare for all South Africans.

Should you wish to discuss any of the above with us personally, please feel free to contact us.



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