

Prescription charge increases in New Zealand penalise the poor and sick

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On 1 January 2013, standard prescription charges in New Zealand were raised from \$3 per item to \$5 per item. Although these charges are low by international standards, New Zealand has no exemptions for the elderly, the poor, or those with serious health problems. Only children under the age of six years receive all their prescription medicines free. When the charges were raised, the government claimed that the impact on individuals and families would be limited because, after receiving 20 prescription items in a calendar year, people are not required to pay the prescription charge.¹ However, for many people this is an empty promise.

supposed to receive any further items free of a prescription charge), but neither our study nor the PHARMAC analysis could identify families. The gap between the stated entitlement and the actual experience of patients is an important reminder that it is the latter that affects whether people get the treatment they need, not the former.

Public awareness of the exemption after 20 items seems to be low, and in response the Ministry of Health released a leaflet explaining the system. Lack of linkage of IT systems across pharmacies and the Ministry of Health is partly to blame for the problem: each individual pharmacy cannot

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In our study of all prescription medicines used in one North Island town,² we found that many people continued to pay the prescription charge after they reached 20 items. Forty percent of people continued to pay for 90% of their prescription items, even after they reached 20 items. PHARMAC (Pharmaceutical Management Agency) provided national data on this issue: they found that 180 000 people paid for at least one item they should not have, and an additional \$2.5 million was paid by people who had already reached the 20 prescription items threshold. Both our data and PHARMAC data are likely to underestimate the extent of the problem. The exemption applies to families (when members of one family have reached 20 items the family are

tell how many prescription items a person or family has already received from other pharmacies unless the person/family presents receipts from other pharmacies. Lack of consistent patient records within community pharmacies is also likely to be a cause: an individual patient may have several records that are not linked; therefore, they have to reach 20 items on any one record before their eligibility is recognised.

Meanwhile, the \$5 charge acts as a real barrier to appropriate care for the poor and the sick. For them, the exemption after 20 items may be irrelevant because they struggle to afford those first 20 items. One study found that, overall, 6.4% of people reported not picking up one or

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more prescription items because of cost, but this figure rose to 32.2% of people reporting severe psychological distress.³ People with mental health problems suffer particularly because they may already face significant barriers to continuous medicine-taking. Just getting to the general practitioner (GP) and then to the pharmacy to pick up prescriptions may be difficult, without having to face the embarrassment of not being able to pay, and the difficulty of choosing which medicines to pick up and which to forgo. In interviews with us, people reported delaying picking up medicines, splitting doses in order to make prescriptions last longer, going without food, or changing to less healthy food in order to cope with prescription charges.

Prescription charges are an unnecessary additional barrier to living healthy lives and obtaining appropriate care for the poor and the sick. In the 75th anniversary year of the New Zealand health system, we think New Zealand can do better than this.

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