Commonwealth price (Pharmaceutical benefits supplied by approved pharmacists) Determination 2015 (PB 64 of 2015)

made under paragraph 98B(1)(a) of the

National Health Act 1953

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About this compilation

This compilation

This is a compilation of the *Commonwealth price (Pharmaceutical benefits supplied by approved pharmacists) Determination 2015 (PB 64 of 2015)* that shows the text of the law as amended and in force on 1 July 2017 (the ***compilation date***).

The notes at the end of this compilation (the ***endnotes***) include information about amending laws and the amendment history of provisions of the compiled law.

Uncommenced amendments

The effect of uncommenced amendments is not shown in the text of the compiled law. Any uncommenced amendments affecting the law are accessible on the Legislation Register (www.legislation.gov.au). The details of amendments made up to, but not commenced at, the compilation date are underlined in the endnotes. For more information on any uncommenced amendments, see the series page on the Legislation Register for the compiled law.

Application, saving and transitional provisions for provisions and amendments

If the operation of a provision or amendment of the compiled law is affected by an application, saving or transitional provision that is not included in this compilation, details are included in the endnotes.

Editorial changes

For more information about any editorial changes made in this compilation, see the endnotes.

Modifications

If the compiled law is modified by another law, the compiled law operates as modified but the modification does not amend the text of the law. Accordingly, this compilation does not show the text of the compiled law as modified. For more information on any modifications, see the series page on the Legislation Register for the compiled law.

Self-repealing provisions

If a provision of the compiled law has been repealed in accordance with a provision of the law, details are included in the endnotes.

Contents

Part 1—Preliminary

1 Name of Determination

(1) This Determination is the *Commonwealth price (Pharmaceutical benefits supplied by approved pharmacists) Determination 2015)*.

(2) This Instrument may also be cited as PB 64 of 2015

4 Purpose

The purpose of this Determination is to determine the manner in which the Commonwealth price for pharmaceutical benefits is to be worked out, for payments to approved pharmacists for the supply of pharmaceutical benefits, for paragraph 98B(1)(a) of the Act.

5 Application

This Determination does not apply to the supply of a pharmaceutical benefit by an approved pharmacist to a medical practitioner under section 93 of the *National Health Act 1953*.

6 Definitions

(1) In this Determination:

Act means the *National Health Act 1953*.

agreed purchase quantity, in relation to an ingredient of an extemporaneously-prepared pharmaceutical benefit, means the quantity of the ingredient that is agreed upon between the Secretary and the Pharmacy Guild of Australia as the quantity for which the basic wholesale price is to be ascertained.

approved ex-manufacturer price has the same meaning as in subsection 84(1) of the Act.

basic wholesale price has the same meaning as in subsection 98B(3) of the Act.

dangerous drug means:

(a) a pharmaceutical benefit mentioned in Schedule 3 to the *Determination under paragraph 98C(1)(b) of the Act*; or

(b) a pharmaceutical benefit that, under the law of a State or Territory, is classified as a dangerous drug.

dangerous drug fee means an amount of $3.01.

determined quantity of a listed brand of a pharmaceutical item has the same meaning as in subsection 84(1) of the Act.

exceptional prescription means a prescription for an extemporaneously- prepared pharmaceutical benefit that is not a standard formula preparation and for which the price of the ingredients, calculated in accordance with sections 20 to 22, is not less than twice the amount calculated under section 31, excluding the container price and extemporaneously-prepared dispensing fee.

extemporaneously-prepared dispensing fee means an amount of $9.19.

extemporaneously-prepared pharmaceutical benefit means a pharmaceutical benefit that is not a ready-prepared pharmaceutical benefit.

maximum quantity of a brand of a pharmaceutical item, or a pharmaceutical benefit that has a pharmaceutical item, means a quantity or number of units of the pharmaceutical item determined under paragraph 85A(2)(a) of the Act in relation to that brand of pharmaceutical item.

pack quantity has the same meaning as in subsection 84(1) of the Act.

Note: The Minister may determine one or more *pack quantities* for a brand of a pharmaceutical item under subsection 84AK(2) of the Act. The quantities determined are the quantities in manufacturer's PBS packs.

pharmaceutical item has the meaning given by section 84AB of the Act.

price to pharmacists means the approved ex-manufacturer price or proportional ex-manufacturer price for the particular quantity, plus the wholesale mark-up worked out under section 12.

proportional ex-manufacturer price has the same meaning as in subsection 84(1) of the Act.

ready-prepared dispensing fee means an amount of $7.15.

ready-prepared pharmaceutical benefit means a brand of a pharmaceutical item for which there is a determination under subsection 85(6) of the Act.

Regulations means the *National Health (Pharmaceutical Benefits) Regulations 1960*.

standard formula preparation means an extemporaneously-prepared pharmaceutical benefit mentioned in Schedule 5 to the *Determination under paragraph 98C(1)(b) of the National Health Act 1953*.

7 Rounding up and rounding down

If the calculation of a price under this Determination includes a fraction of a cent, the final amount calculated is to then be rounded up or down to the nearest cent, with an amount of 0.5 of a cent or more being rounded up to the next cent.

8 Dangerous drug fee

If a pharmaceutical benefit is a dangerous drug, the Commonwealth must pay, in addition to any other amounts under this Determination, a dangerous drug fee where indicated in this Determination.

9 Repeat supply

(1) If, under subsection 88(6) or 88(6A) of the Act and regulation 24 of the Regulations, a medical practitioner, authorised midwife, or authorised nurse practitioner, instead of directing a repeated supply of a pharmaceutical benefit, directs the supply of a quantity or number of units of the benefit on 1 occasion, not exceeding the total quantity or number of units that could be prescribed if the medical practitioner, authorised midwife, or authorised nurse practitioner directed a repeated supply, the Commonwealth price for that supply includes:

(a) only 1 dispensing fee; and

(b) the price, if any, of only 1 container.; and

(c) if a dangerous drug fee applies, only one such fee.

(2) For this section, the appropriate price, if any, for a container is to be worked out under section 14.

10 Drugs and medicinal preparations to which a subsection 85(6) determination applies

If a determination under subsection 85(6) of the Act applies to a drug or medicinal preparation, the Commonwealth will only make a payment in relation to the supply of a drug or medicinal preparation of the brand mentioned in that determination.

Part 2—Ready-prepared pharmaceutical benefits

11 Ready-prepared pharmaceutical benefits—Commonwealth price

(1) The Commonwealth price for the supply of a quantity of a ready-prepared pharmaceutical benefit is:

(a) if the quantity of the benefit ordered and supplied is equal to a multiple of a pack quantity of the benefit—the sum of:

(i) for each pack quantity:

(A) the approved ex-manufacturer price or the proportional ex-manufacturer price for the pack quantity; and

(B) the wholesale mark-up, worked out under section 12; and

(C) the administration, handling and infrastructure fee, worked out under section 13; and

(ii) a ready-prepared dispensing fee; and

(iii) if a dangerous drug fee applies, the dangerous drug fee; or

(b) if the quantity of the benefit ordered and supplied is less than a pack quantity of the benefit—the sum of:

(i) the amount worked out under section 15; and

(ii) a ready-prepared dispensing fee; and

(iii) if a dangerous drug fee applies, the dangerous drug fee; and

(iii) an amount for the supply of a container, worked out under section 14; or

(c) if the quantity of the benefit ordered and supplied is more than a multiple of a pack quantity of the benefit—the sum of:

(i) for each pack quantity:

(A) the approved ex-manufacturer price or the proportional ex-manufacturer price for the pack quantity; and

(B) the wholesale mark-up, worked out under section 12; and

(C) the administration, handling and infrastructure fee, worked out under section 13; and

(ii) for the remainder of the quantity that is less than a pack quantity—the amount worked out under section 15; and

(iii) a ready-prepared dispensing fee; and

(iv) if a dangerous drug fee applies, the dangerous drug fee.

(2) However, for a ready-prepared pharmaceutical benefit that comprises the admixture of ready-prepared ingredients and is specified in Schedule 1 to the *Determination under paragraph 98C(1)(b) of the National Health Act 1953*:

(a) the ready-prepared dispensing fee does not apply; and

(b) an extemporaneously-prepared dispensing fee must be paid by the Commonwealth; and

(c) no amount for the supply of the container is payable; and

(d) if a dangerous drug fee applies, the dangerous drug fee.

12 Ready-prepared pharmaceutical benefits—wholesale mark-up

(1) For sub-subparagraphs 11(1)(a)(i)(B) and 11(1)(c)(i)(B), and Step 1 of section 15, the wholesale mark-up for a pack quantity of a ready-prepared pharmaceutical benefit is the amount added to the approved ex-manufacturer price (AEMP) or the proportional ex-manufacturer price (PEMP) for the pack quantity, to calculate the price to pharmacists for that pack quantity, as set out in this section.

Step 1—Identify the approved ex-manufacturer price (AEMP) or the proportional ex-manufacturer price (PEMP) for the pack quantity

(2) Identify the AEMP or the PEMP for the pack quantity for which a mark-up is to be calculated under this section.

Step 2—Identify the appropriate wholesale mark-up formula

(3) List any maximum quantity or determined quantity of each listed brand of that pharmaceutical item (other than any maximum quantity that relates to a supply of any of those brands in section 100 only circumstances).

(4) From that list, identify the quantity (the **relevant quantity**) of the brand of the pharmaceutical item, which is:

(a) the quantity that is the highest whole number multiple of the pack quantity of the brand of the pharmaceutical item from:

(i) any maximum quantity on the list; or

(ii) if subparagraph (a)(i) does not apply—any determined quantity on the list; or

(b) if paragraph (a) does not apply—the quantity that is the closest to the pack quantity of the brand of the pharmaceutical item (or, if two quantities are equally close, the higher of those quantities) from:

(i) any maximum quantity on the list; or

(ii) if subparagraph (b)(i) does not apply—any determined quantity on the list.

(5) Work out proportionately the ex-manufacturer price for the relevant quantity of the brand of the pharmaceutical item.

Step 3—Apply the appropriate formula to work out the price to pharmacists for the pack quantity

(6) If the ex-*manufacturer* price for the relevant quantity of the brand of the pharmaceutical item is less than, or equal to, $930.06, then the price to pharmacists for the pack quantity of the brand of the pharmaceutical item is the amount worked out as follows:

PTP = AEMP or PEMP x 1.0752

where:

PTP means the price to pharmacists for the pack quantity.

AEMP or PEMP means the approved ex-manufacturer price or the proportional ex-manufacturer price for the pack quantity.

(7) If:

(a) the ex-manufacturer price for the relevant quantity of the brand of the pharmaceutical item is more than $930.06; and

(b) the relevant quantity and the pack quantity of the brand of the pharmaceutical item are the same;

then the price to pharmacists for the pack quantity of the brand of the pharmaceutical item is the amount worked out as follows:

PTP = AEMP or PEMP + $69.94

where:

PTP means the price to pharmacists for the pack quantity.

AEMP or PEMP means the approved ex-manufacturer price or the proportional ex-manufacturer price for the pack quantity.

(8) If:

(a) the ex-manufacturer price for the relevant quantity of the brand of the pharmaceutical item is more than $930.06; and

(b) the relevant quantity and the pack quantity of the brand of the pharmaceutical item are not the same;

then the price to pharmacists for the pack quantity of the brand of the pharmaceutical item is the amount worked out as follows:

PTP = AEMP or PEMP + ($69.94 x (PQ/RQ))

where:

PTP means the price to pharmacists for the pack quantity.

AEMP or PEMP means the approved ex-manufacturer price or the proportional ex-manufacturer price for the pack quantity.

PQ means the pack quantity of the brand of the pharmaceutical item.

RQ means the relevant quantity of the brand of the pharmaceutical item.

13 Ready-prepared pharmaceutical benefits—administration, handling and infrastructure fee

(1) For sub-subparagraphs 11(1)(a)(i)(C) and 11(1)(c)(i)(C), and Step 1 of section 15, the administration, handling and infrastructure fee for a pack quantity of a ready-prepared pharmaceutical benefit is:

(a) if the pack quantity to which the administration, handling and infrastructure fee is to be applied under this section is equal to a maximum quantity of the

pharmaceutical benefit, the administration, handling and infrastructure fee is the amount mentioned in the table below for the price to pharmacists for that quantity.

AHI Tier	Price to pharmacists for maximum quantity	Administration, handling and infrastructure fee for maximum quantity
1	< $180	$3.94
2	≥ $180, ≤ $2 089.71	$3.94 + 3.5% of the amount by which the price to pharmacists for maximum quantity exceeds $180
3	> $2 089.71	$72.43

(b) if the pack quantity for which an administration, handling and infrastructure fee is to be calculated under this section is not equal to a maximum quantity of the pharmaceutical benefit, the administration, handling and infrastructure fee is calculated as follows:

(i) calculate the price to pharmacists for the maximum quantity by applying the following formula:

PTP for PQ x (MQ/PQ)

where:

PTP for PQ is the *price to pharmacists* for the pack quantity (calculated in section 12);

PQ is the pack quantity; and

MQ is the maximum quantity;

(ii) if the administration, handling and infrastructure fee that would apply to the maximum quantity is shown in the table in paragraph (a) as a monetary amount—the administration, handling and infrastructure fee for the pack quantity is that monetary amount adjusted proportionately for the relative quantities; and

(iii) if the administration, handling and infrastructure fee that would apply to the maximum quantity is shown in the table in paragraph (a) as a monetary amount and a percentage of the price to pharmacists—the monetary amount of the administration, handling and infrastructure fee for the pack quantity will be adjusted proportionately for the relative quantity and the percentage will be 3.5% of the amount by which the price to pharmacists for the pack quantity exceeds $180.

14 Ready-prepared pharmaceutical benefits—container price

(1) The price for a container for a ready-prepared pharmaceutical benefit is the sum of:

(a) the wholesale cost worked out under subsection (2); and

(b) the mark-up worked out under subsection (4).

(2) The wholesale cost for a container will be based on the average of wholesale costs for a particular container, in a quantity of 100, as agreed by the Minister and the Pharmacy Guild of Australia for the supply of the container, by a wholesale drug distributor.

(3) The wholesale cost must be agreed by 15 June in a year and takes effect on 1 August in that year.

(4) For paragraph (1)(b), the mark-up is 10% of the amount agreed under subsection (2).

(5) For a mark-up worked out under subsection (4), if the calculation of a percentage of the wholesale cost includes a fraction of a cent, the mark-up is to be rounded up or down to the nearest cent, with an amount of 0.5 of a cent or more being rounded up to the next cent.

(5) In this section:

container means:

(a) for a ready-prepared pharmaceutical benefit that is injectable—a vial with a capacity of 150 ml; or

(b) for any other ready-prepared pharmaceutical benefit—a vial with a capacity of 25 ml.

15 Price for broken quantities

If a ready-prepared pharmaceutical benefit is ordered and supplied in a quantity that is less than a pack quantity (the ***broken quantity***), the amount mentioned in subparagraph 11(1)(b)(i) or (1)(c)(ii) is to be worked out using the following method statement.

Method statement

Step 1 Add the mark-up worked out under section 12 and the administrative, handling and infrastructure fee worked out under section 13 to the approved ex-manufacturer price or the proportional ex-manufacturer price for the pack quantity.

Step 2 Divide the quantity or number of units in the broken quantity by the quantity or number of units in the pack quantity and express as a percentage.

Step 3 For a percentage up to and including an amount in column 1 of the following table, select the percentage mentioned in column 2 of the previous item in the following table.

Column 1 Up to and including: (%)	Column 2 Select amount: (%)
5	10
10	18
15	26
20	32
25	38
30	44
35	50
40	54
45	58
50	62
55	66
60	70
65	74
70	78
75	82
80	86
85	90
90	94
95	98
100	100

Step 4 Multiply the amount worked out under step 3 by the amount worked out under step 1.

16 Ready-prepared pharmaceutical benefits—limit on Commonwealth price

If the Commonwealth price worked out for the supply of a broken quantity of a ready-prepared pharmaceutical benefit exceeds the Commonwealth price for the pack quantity, the Commonwealth price for the pack quantity is the Commonwealth price for the broken quantity.

17 Pharmaceutical benefits mentioned in a determination under paragraph 98C(1)(b) of the Act

If a prescription directs the supply of a quantity of a pharmaceutical benefit mentioned in Schedule 4 of the determination under paragraph 98C(1)(b) of the Act as a pharmaceutical benefit the complete pack of which shall be supplied regardless of any lesser quantity ordered, the Commonwealth price is the price worked out as if a complete pack was supplied.

Part 3—Extemporaneously-prepared pharmaceutical benefits

18 Definition

In this Part:

wastage means the combined loss that arises from:

(a) transferring drugs and chemicals from the package in which they are delivered to the approved pharmacist to the dispensing package delivered to the patient; and

(b) deterioration; and

(c) obsolescence.

19 Extemporaneously-prepared pharmaceutical benefits—Commonwealth price

Subject to section 31, the Commonwealth price for the supply of an extemporaneously-prepared pharmaceutical benefit, including a standard formula preparation, is the sum of the following amounts:

(a) the amount worked out under sections 20 to 22 in relation to the quantity supplied of each of the ingredients; and

(b) the amount worked out for the supply of the container under section 26; and

(c) the extemporaneously-prepared dispensing fee.

20 Ingredient amount

For paragraph 19 (a), the amount for an ingredient of an extemporaneously-prepared pharmaceutical benefit, if the quantity of the ingredient is equal to the agreed purchase quantity, is the sum of:

(a) the basic wholesale price of the ingredient; and

(b) the administration, handling and infrastructure fee worked out under section 21; and

(c) an amount for any wastage, in accordance with Appendix A.

21 Extemporaneously-prepared pharmaceutical benefits—administration, handling and infrastructure fee

For paragraph 20 (b), the administration, handling and infrastructure fee, calculated by reference to the basic wholesale price for an agreed purchase quantity of the ingredient, is the amount mentioned in the table for that price.

AHI Tier	Price to pharmacists for maximum quantity	Administration, handling and infrastructure fee for maximum quantity
1	< $180	$3.94
2	≥ $180, ≤ $2 089.71	$3.94 + 3.5% of the amount by which the price to pharmacists for maximum quantity exceeds $180
3	> $2 089.71	$72.43

22 Ingredient amount

(1) For section 19, if the quantity of an extemporaneously-prepared pharmaceutical benefit that is to be dispensed is less than the agreed purchase quantity amount in relation to the ingredient, the amount payable for the ingredient is to be worked out using the following method statement.

Method statement

Step 1 Work out the basic pricing unit to be used for the quantity to be dispensed, using the table of basic pricing units in Appendix B.

Step 2 Deduct from the amount worked out under section 19 the quantity factor mentioned in Appendix C for the basic pricing unit.

Step 3 Subject to subsection (2), multiply that amount by the quantity to be dispensed, divided by the basic pricing unit.

(2) For step 3 of the method statement, the price for a quantity in a range mentioned in the following table is the price for the quantity for step 3 mentioned of the table.

Item	Column 1	Column 2
	Quantity range	**Quantity for step 3**
1	> 700 mg, ≤ 1 g	1 g
2	> 700 µl, ≤1 ml	1 ml
3	> 7 g, ≤ 10 g	10 g
4	> 7 ml, ≤ 10 ml	10 ml
5	> 80 g, ≤ 90 g	80 g
6	> 80 ml, ≤ 90 ml	80 ml

(3) For item 1, 3 or 5 of the table in subsection (2), if the quantity of the ingredient is not a multiple of 50 mg, the amount is to be calculated as if it were the next highest multiple of 50 mg.

(4) For item 2, 4 or 6 of the table in subsection (2), if the quantity of the ingredient is not a multiple of 50 µl, the amount is to be calculated as if it were the next highest multiple of 50 µl.

23 Quantity greater than the agreed purchase quantity

For section 19, if the quantity of an ingredient of an extemporaneously- prepared pharmaceutical benefit is greater than the agreed purchase quantity, the amount payable in relation to the ingredient is to be worked out as follows:

(a) if the ingredient is a drug that is unstable or packed sterile, mentioned in Schedule 2 to the *Determination under paragraph 98C (1) (b) of the National Health Act 1953*—multiply the price of the agreed purchase quantity by the number of whole packs of the agreed purchase quantity required to dispense the quantity of the ingredient; or

(b) in any other case—divide the quantity dispensed by the quantity contained in the agreed purchase quantity and multiply the result of that calculation by the basic wholesale price of the agreed purchase quantity.

24 Extemporaneously-prepared pharmaceutical benefit comprising vehicle specified in prescription under particular name, etc

(1) If an extemporaneously-prepared pharmaceutical benefit comprises a vehicle that is specified in the prescription under a particular name and an additional specified ingredient or ingredients, the Commonwealth price is to be calculated under this section.

(2) If a vehicle is a single liquid ingredient and 1 or more other ingredients are added:

(a) for calculating the Commonwealth price, any displacement of the vehicle by solids is to be disregarded; and

(b) the Commonwealth price for the pharmaceutical benefit as a whole is to be calculated under section 19.

(3) If a vehicle is compounded from 2 or more ingredients and 1 or more other ingredients are added:

(a) any displacement of the vehicle by solids is to be disregarded for pricing purposes; and

(b) the amounts calculated, under sections 22, 23 and 24, for each of the ingredients is the sum of:

(i) the price of each ingredient of the vehicle; and

(ii) the price of each ingredient that is added to the vehicle.

(4) In this section:

vehicle means a substance that has little or no medicinal action and is used as a medium for an active ingredient.

25 Extemporaneously-prepared pharmaceutical benefit—basic wholesale price

(1) The basic wholesale price for a drug used in the preparation of an extemporaneously-prepared pharmaceutical benefit is the average of the wholesale cost of the drug, in a purchase quantity:

(a) agreed by the Minister and the Pharmacy Guild of Australia; and
(b) available from wholesale drug distributors.

(2) For subsection (1), the purchase quantity must be agreed on or before 15 June in a year and takes effect on 1 August in that year.

(3) Subject to subsection (4), if the calculation under subsection (1) includes a fraction of a cent, the basic wholesale price is to be rounded up or down to the nearest cent, with an amount of 0.5 of a cent or more being rounded up to the next cent.

(4) The amount calculated in relation to an ingredient must not be less than 1 cent.

26 Extemporaneously-prepared pharmaceutical benefit—container price

(1) The price for a container for an extemporaneously-prepared pharmaceutical benefit is the sum of:
(a) the wholesale cost worked out under subsection (2); and
(b) the mark-up worked out under subsection (4).

(2) The wholesale cost for a container will be based on the average of wholesale costs for containers of that type, in the quantity agreed by the Minister and the Pharmacy Guild of Australia for the supply of the container, by a wholesale drug distributor.

(3) For subsection (2), the wholesale cost must be agreed on or before 15 June in a year and takes effect on 1 August in that year.

(4) For paragraph (1)(b), the mark-up is 10% of the amount agreed under subsection (2).

(5) For a mark-up worked out under subsection (4), if the calculation of a percentage of the wholesale cost includes a fraction of a cent, the mark-up is to be rounded up or down to the nearest cent, with an amount of 0.5 of a cent or more being rounded up to the next cent.

(6) If a wholesale drug distributor will not supply containers of a particular size or type in the purchase quantity agreed upon by the Minister and The Pharmacy Guild of Australia, the price of the purchase quantity is to be worked out by:
(a) multiplying:
(i) the price of the smallest quantity larger than the agreed purchase quantity, in which the distributor will supply containers of that size and type; and
(ii) the agreed purchase quantity; and
(b) dividing the result worked out under paragraph (a) by the quantity that in which the distributor will supply.

27 Extemporaneously-prepared pharmaceutical benefit—container price for bulk powders

For bulk powders, the price for the container is the price for a screw cap jar that is nominally rated to hold at least double the quantity supplied.

28 Extemporaneously-prepared pharmaceutical benefit—orders in excess of largest size container

If a prescription directs the supply of a quantity of an extemporaneously- prepared pharmaceutical benefit that exceeds the capacity of the largest size of container that is manufactured for use with a benefit of that type, the price for the container is to be calculated as if the pharmaceutical benefit had been supplied in more than 1 container.

29 Extemporaneously-prepared pharmaceutical benefit—limit on Commonwealth price

If the Commonwealth price worked out for the supply of a quantity of an extemporaneously-prepared pharmaceutical benefit exceeds the Commonwealth price for a greater quantity of the benefit, the Commonwealth price is the price for the greater quantity of the benefit.

30 Extemporaneously-prepared pharmaceutical benefit—calculation limit for ingredients

If the Commonwealth price worked out for the supply of an ingredient of an extemporaneously-prepared pharmaceutical benefit exceeds the Commonwealth price for a greater quantity of the ingredient the Commonwealth price is the price for the greater quantity of the ingredient.

31 Extemporaneously-prepared pharmaceutical benefit—non-standard formula preparations

(1) Subject to subsection (4), if an extemporaneously-prepared pharmaceutical benefit is not a standard formula preparation:

(a) the benefit is to be classified, for determining the Commonwealth price, under the type of pharmaceutical benefit mentioned in Part 3 of Schedule 2 to the Minister's determination under subsection 85A(2) of the Act;

(b) the Commonwealth price for the benefit is to be worked out under subsection (2) or (3).

(2) The price is to be worked out, on the calculation day, using the following method statement.

Method statement

Step 1 Work out, for each benefit, the total quantity dispensed by approved pharmacists during the calculation period.

Step 2 Work out, for each benefit, the total cost (not including a container fee or the extemporaneously-prepared dispensing fee) of the benefit dispensed by approved pharmacists during the calculation period.

Step 3 Divide the cost worked out under step 2 by the quantity worked out under step 1, to work out the unit cost for the benefit.

Step 4 Multiply the unit cost by the quantity to be dispensed.

Step 5 Add to the amount worked out under step 4:

(a) the container price, worked out under section 26; and

(b) the extemporaneously-prepared dispensing fee.

(3) If, on the calculation day, no prescriptions for a standard formula preparation for a benefit have been dispensed by approved pharmacists in the calculation period, the Commonwealth price is to be worked out using the following method statement.

Method statement

Step 1 Add together the price (not including a container fee or the extemporaneously-prepared dispensing fee) of the standard formula preparations available for the benefit.

Step 2 Divide the amount worked out under step 1 by the number of standard formula preparations available for the benefit.

Step 3 Divide the amount worked out under step 2 by the maximum quantity, to work out the unit price for the benefit.

Step 4 Multiply the unit price by the quantity to be dispensed.

Step 5 Add to the amount worked out under step 4:

(a) the container price, worked out under section 26; and

(b) the extemporaneously-prepared dispensing fee.

(4) Subsection (1) does not apply to:
(a) exceptional prescriptions; or
(b) the supply of the pharmaceutical benefit under subsection 32 (1).

(5) In this section:

calculation day means the 16th day of each calendar month or, if the 16th day is not a business day, the next business day.

calculation period means the period commencing 4 weeks before the calculation day and ending on the calculation day.

maximum quantity, for a standard formula preparation, means the maximum quantity mentioned for the type of pharmaceutical benefit in Part 3 of Schedule 2 to the Minister's determination under 85A(2) of the Act.

32 Calculation of Commonwealth price under section 19

(1) If there is no standard formula preparation for an extemporaneously- prepared pharmaceutical benefit, the Commonwealth price for the supply, by an approved pharmacist, of the benefit may be worked out, by the pharmacist, under section 19.

(2) Subject to subsection (3), the Commonwealth price for the supply, by an approved pharmacist, of a standard formula preparation plus an additive must be worked out under section 31.

(3) If an approved pharmacist indicates that the pharmaceutical benefit is to be priced as if the prescription had specified only the standard formula preparation, the amount payable will be the Commonwealth price for the standard formula preparation, worked out under section 19.

(4) For subsection (1), if an approved pharmacist elects to work out the Commonwealth price under section 19, the election must be in accordance with paragraph 9 of the *Determination under paragraph 98C(1)(b) of the National Heath Act 1953*.

33 Exceptional prescriptions

Despite section 31, an approved pharmacist who has not made an election under section 32 may calculate the Commonwealth price for an exceptional prescription under section 19.

Appendix A—Classification, Fee and Mark-Up Tables

Note: These tables demonstrate the application of the different wastage factors in relation to extemporaneously-prepared pharmaceutical benefits. The wastage factors range from 0% to 40%, depending upon the type and usage of pharmaceutical benefit. These factors have been agreed between the Minister and the Pharmacy Guild of Australia.

Table 1—Basic wholesale price for agreed purchase quantity less than $180.00

A	Classification No	1	2	3	4	5
B	Basic wholesale price (%)	100	100	100	100	100
C	Administration, handling and infrastructure fee	AHI Tier 1 fee	AHI Tier 1 fee	AHI Tier 1 fee	AHI Tier 1 fee	AHI Tier 1 fee
D	Wastage factor on B (%)	0	10	20	30	40
E	Total of B, C and D	100% of B + AHI Tier 1 fee	110% of B + AHI Tier 1 fee	120% of B + AHI Tier 1 fee	130% of B + AHI Tier 1 fee	140% of B + AHI Tier 1 fee

Table 2—Basic wholesale price for agreed purchase quantity $180.00 to $2,089.71

A	Classification No	1	2	3	4	5
B	Basic wholesale price (%)	100	100	100	100	100
C	Administration, handling and infrastructure fee	AHI Tier 2 fee	AHI Tier 2 fee	AHI Tier 2 fee	AHI Tier 2 fee	AHI Tier 2 fee
D	Wastage factor on B (%)	0	10	20	30	40
E	Total of B, C and D	100% of B + AHI Tier 2 fee	110% of B + AHI Tier 2 fee	120% of B + AHI Tier 2 fee	130% of B + AHI Tier 2 fee	140% of B + AHI Tier 2 fee

Table 3—Basic wholesale price for agreed purchase quantity more than $2,089.71

A	Classification No	1	2	3	4	5
B	Basic wholesale price (%)	100	100	100	100	100
C	Administration, handling and infrastructure fee	AHI Tier 3 fee	AHI Tier 3 fee	AHI Tier 3 fee	AHI Tier 3 fee	AHI Tier 3 fee
D	Wastage factor on B (%)	0	10	20	30	40
E	Total of B, C and D	100% of B + AHI Tier 3 fee	110% of B + AHI Tier 3 fee	120% of B + AHI Tier 3 fee	130% of B + AHI Tier 3 fee	140% of B + AHI Tier 3 fee

Appendix B—Basic Pricing Units

Quantity	Basic pricing unit to be used
Up to and including 700 mg	Price for 100 mg
Up to and including 700 µl	Price for or 100 µl
More than 700 mg and not more than 1 g	Price for 1 g
More than 700 µl and not more than 1 ml	Price for 1 ml
More than 1 g and not more than 7 g	Price for 1 g
More than 1 ml and not more than 7 ml	Price for 1 ml
More than 7 g and not more than 10 g	Price for 10 g
More than 7 ml and not more than 10 ml	Price for 10 ml
More than 10 g and not more than 80 g	Price for 10 g
More than 10 ml and not more than 80 ml	Price for 10 ml
More than 80 g and not more than 90 g	Price for 80 g
More than 80 ml and not more than 90 ml	Price for 80 ml
More than 90 g	Price for 100 g
More than 90 ml	Price for 100 ml

Appendix C—Quantity Factors

Item	To work out the price for:	Take the price for:	Add:	Divide by:
1	100 g	500 g		5
		or 1 kg		10
2	100 ml	500 ml		5
		or 1 l		10
3	10 g	100 g	12.5%	10
4	10 ml	100 ml	12.5%	10
5	1 g	10 g	25%	10
6	1 ml	10 ml	25%	10
7	100 mg	1 g	25%	10
8	100 µl	1 ml	25%	10

Endnotes

Endnote 1—About the endnotes

The endnotes provide information about this compilation and the compiled law.

The following endnotes are included in every compilation:

Endnote 1—About the endnotes
Endnote 2—Abbreviation key
Endnote 3—Legislation history
Endnote 4—Amendment history

Abbreviation key—Endnote 2
The abbreviation key sets out abbreviations that may be used in the endnotes.

Legislation history and amendment history—Endnotes 3 and 4
Amending laws are annotated in the legislation history and amendment history.

The legislation history in endnote 3 provides information about each law that has amended (or will amend) the compiled law. The information includes commencement details for amending laws and details of any application, saving or transitional provisions that are not included in this compilation.

The amendment history in endnote 4 provides information about amendments at the provision (generally section or equivalent) level. It also includes information about any provision of the compiled law that has been repealed in accordance with a provision of the law.

Editorial changes
The *Legislation Act 2003* authorises First Parliamentary Counsel to make editorial and presentational changes to a compiled law in preparing a compilation of the law for registration. The changes must not change the effect of the law. Editorial changes take effect from the compilation registration date.

If the compilation includes editorial changes, the endnotes include a brief outline of the changes in general terms. Full details of any changes can be obtained from the Office of Parliamentary Counsel.

Misdescribed amendments
A misdescribed amendment is an amendment that does not accurately describe the amendment to be made. If, despite the misdescription, the amendment can be given effect as intended, the amendment is incorporated into the compiled law and the abbreviation "(md)" added to the details of the amendment included in the amendment history.

If a misdescribed amendment cannot be given effect as intended, the abbreviation "(md not incorp)" is added to the details of the amendment included in the amendment history.

Endnote 2—Abbreviation key

ad = added or inserted

am = amended

amdt = amendment

c = clause(s)

C[x] = Compilation No. x

Ch = Chapter(s)

def = definition(s)

Dict = Dictionary

disallowed = disallowed by Parliament

Div = Division(s)

ed = editorial change

exp = expires/expired or ceases/ceased to have effect

F = Federal Register of Legislation

gaz = gazette

LA = *Legislation Act 2003*

LIA = *Legislative Instruments Act 2003*

(md) = misdescribed amendment can be given effect

(md not incorp) = misdescribed amendment cannot be given effect

mod = modified/modification

No. = Number(s)

o = order(s)

Ord = Ordinance

orig = original

par = paragraph(s)/subparagraph(s) /sub-subparagraph(s)

pres = present

prev = previous

(prev…) = previously

Pt = Part(s)

r = regulation(s)/rule(s)

reloc = relocated

renum = renumbered

rep = repealed

rs = repealed and substituted

s = section(s)/subsection(s)

Sch = Schedule(s)

Sdiv = Subdivision(s)

SLI = Select Legislative Instrument

SR = Statutory Rules

Sub-Ch = Sub-Chapter(s)

SubPt = Subpart(s)

underlining = whole or part not commenced or to be commenced

Endnote 3—Legislation history

Name	Registration	Commencement	Application, saving and transitional provisions
PB 64 of 2015	1 July 2015 (F2015L01077)	1 July 2015 (s 2)	
PB 50 of 2016	17 June 2016 (F2016L01042)	1 July 2016 (s 2)	—
PB 51 of 2017	30 June 2017 (F2017L00864)	1 July 2017 (s 2)	—

Endnote 4—Amendment history

Provision affected	How affected
Part 1	
s 2	rep LA s 48D
s 3	rep LA s 48C
s 6	am F2016L01042; F2017L00864
Part 2	
s 13	am F2016L01042; F2017L00864
Part 3	
s 21	am F2016L01042; F2017L00864
Endnotes	rep F2016L01042