Pharmacode® System

## For Pharmacode Customers

## Introduction

The aim of this document is to explain the Pharmacode® system and provide an understanding of the processes involved in submitting products into the system, how the data is then used by pharmacies, and by PHARMAC for production of the Pharmaceutical Schedule and the New Zealand claiming model.

Pharmaceutical wholesalers use the Pharmacode® system as an intrinsic part of their operating systems. Pharmacies can order their stock using the Pharmacode® Identifier.

The Pharmacode® data is on every pharmacist’s dispensing software and pharmacists may access information about the prescribed product using the brand name, generic name or the Pharmacode ID. Over the counter, retail items are also included in the Pharmacode system and the Point of Sale Systems.

At present both PHARMAC and Sector Services use the Pharmacode® as unique identifier in their subsidy entitlement and payment process.

**Pharmacode® System**

The Pharmacy Guild of New Zealand (Inc.) developed the Pharmacode system in 1981 to fill the need for an e-claiming coding system that uniquely identifies a medicine down to the pack size and strength. The Pharmacode® system rationalised the ordering procedure for pharmacies throughout New Zealand as the Pharmacode identifier was used for claiming and by wholesalers. The Guild continues to maintain the database as a service to pharmacy.

Pharmacode® is a registered trademark of the Pharmacy Guild of New Zealand (Inc.)

**Pharmacode® Identifier**

The Pharmacode Identifier (Pharmacode ID) is the unique 6 - 7 digit code assigned to pharmacy items by the Pharmacode® system. The Pharmacode® identifiers are proprietary to the Pharmacy Guild, only the Pharmacode® System can assign Pharmacode IDs to pharmacy items. The Pharmacode ID allow information about medicines to be stored (e.g. in patient records), exchanged (e.g. in a prescription), and reported (e.g. in a claim) either electronically or in hard copy without risk of uncertainty, confusion, or ambiguity.

**Pharmacode® Data**

This refers to the Pharmacode® identifier and the pharmacy items the identifier relates to. The data includes item details, classifications, coding, cost to wholesaler, and subsidies when applicable.

Each variation of a pharmacy item has its own Pharmacode® identifier assigned to it. No Pharmacode® may be used for a product it was not originally issued for.

For example: ACME Ointment 1%, 30gram pack has a Pharmacode ID 2070139; the ACME Ointment 1%, 100gram pack has a Pharmacode ID 2088200.

Any change to a product, formulation, pack size or strength means a new Pharmacode® must be applied for.

## Benefits

The use of a unique identifier of pharmaceuticals offers vast benefits to the pharmacy sector.

### Pharmacies derive considerable benefits from the Pharmacode system.

A unique product identifier which is applicable to its dispensing activities from the time a pharmaceutical enters the pharmacy sector until the last time the pharmacy needs to query the dispensing of that pharmaceutical from a patient’s record,

Information necessary to the purchasing, stocking and supplying of that pharmaceutical from the time it is approved for market until the time it is delisted,

Information on the subsidy applicable to a pharmaceutical and the rules governing the application of that subsidy,

All the foregoing is automatically updated in the pharmacy dispensing system without any input by the pharmacy except for the application of the update software to the pharmacy system,

The pharmacy software prepares claims for Sector Services in a format which can be entered directly into Sector Services payment system and deposits them on a diskette for sending to Sector Services,

When implemented the pharmacy will receive back a report file which enables a complete reconciliation to be made between the claim submitted and the payment received to an item level,

Sector Services receives claims in electronic format which can be automatically entered into their payment system and used to process claims and prepare reports which can readily be subjected to reconciliation and audit.

Sector Services receives electronic files from the Pharmacy Guild which enable it to update its master files of pharmaceuticals automatically,

PHARMAC receives monthly a copy of the Guild’s database from which it can maintain and update the basic information of pharmaceuticals available automatically; PHARMAC receives extracts from claims submitted by pharmacies from which it creates a database of the usage of subsidised pharmaceuticals within New Zealand.

## Pharmacode® Submission Form

A product can be submitted using a spreadsheet form, or the online form. The form is solely for submitting product details into the Pharmacode system. In addition to the Manufacturer/Sponsor/Distributor Details, requested product details to be submitted are:

1 Brand Name or Trade Name

Banner the product is sold under, example: Panadol.

2 Product Name or Description of Form

The product/description.

Example: Rapid Relief.

3 Formulation - Active Ingredients

The International Medical Name, example: Paracetamol.

4 Formulation - Strengths of Active Ingredients

The strength of ingredients, example: 200mg

5 Unit form and Quantity eg: weight **g**, volume **mL**, **28** tablets, **125** mL gel

The quantity of each unit, and its form;

Example: 16 caplets; the size would be 16, the unit would be caplets.

6 Barcode (On Packaged Product)

7 Supplier (Any Code used by the company submitting the product)

8 MedSafe Classification

As defined in the Medicines Act, example: Prescription Medicine.

*\*indicates additional details required for ethical products, defined as those which are classified under the Medicines Act.*

9 Cost to Wholesale (Ex. Manufacturer)

The “Cost to Wholesaler”, exclusive of GST, *not* the RRP.

10 Release Date (If Known)

**Confidential**

Products can be submitted to the Pharmacode system catalogue far in advance of the product being launched in the marketplace. On Request products not yet available are placed in the confidential section of the Pharmacode® system; this means that only the supplying company has access to this information. Products remain in the confidential file until the company notifies the Pharmacy Guild of the release date.

**Date of release**

This is the date on which the information, regarding the product, will be released to licensed Pharmacode® users. If the date of release is not known, it can still be flagged as confidential. The company must notify the date of release at a later time.

**Effective date**

This is the date the product or the new pack size is available in the marketplace. Where products are confidential this date is the same as the release date.

## Terms of Trade

### Additional Terms for Pharmacode® customers

Payments by direct credit are to be made to Pharmaceutical Services Ltd (PSL).

Cite the invoice number as a reference with online banking payments.

Any charges for International transfers are the responsibility of the company making the order.

We accept credit card payment by Visa or MasterCard.

**Order Details**

|  |  |
| --- | --- |
| Number of New Products | Rate Per Pharmacode |
| **0 - 24** | $100.00 +GST |
| **25 – 199** | $75.00 +GST |
| **200 and over** | $50.00 +GST |

**Our account details are as follows**

Bank: ANZ Bank, ANZBNZ22  
Branch: Manners Street, Wellington  
Account name: Pharmaceutical Services Ltd  
Account number: 01-0517-0002420-00

**Where can I get further assistance?**

For general Pharmacode enquiries, contact [info@pharmacode.co.nz](mailto:info@pharmacode.co.nz)

For accounts enquiries, contact [accounts@pgnz.org.nz](mailto:accounts@pgnz.org.nz)

## Changes that require a new Pharmacode® Item Record

A Pharmacode ID is allocated to each product in the Pharmacode system. Each Pharmacode ID is for a product with a set of defined “characteristics”. A different Pharmacode ID is allocated to each type of product characteristics. If a product that already has a Pharmacode ID changes its characteristics, a new Pharmacode ID is allocated. In most cases, a change to any of these details would indicate that the product would need a new Pharmacode® record.

### **Changes to Any Product Characteristics**

Changes to details such as supplier stock codes, barcodes, or price, do not require a new Pharmacode record. Exceptions are made for items which are confidential as they may be subject to changes to obtain MedSafe approval and for corrections when information on record may be inaccurate or erroneous.

Although this list is not exhaustive, the basic pre-defined characteristics of a product are:

1. Brand Name or Trade Name
2. Product Name or Description
3. Formulation - Active Ingredients
4. Formulation - Strengths of Active Ingredients
5. Unit form and Quantity eg: weight **g**, volume **mL**, **28** tablets, **125** mL gel
6. Product Content
7. Combination of Packs
8. Dosage or usage
9. Packaging configuration
10. Features
11. Manufacturer

**1. Brand Name**

A change to the primary Brand that appears on the product. Brand is defined as the recognizable name used by a brand owner to uniquely identify a line of trade item. This is recognizable by the patient. If the secondary or sub-brand is a key identifier to the patient in addition to the primary brand, a new Pharmacode must also be assigned.

**2. Product Name and Description**

Product Name is defined as a secondary brand name, or name to uniquely identify a product that is part of a line of trade items. Healthcare regulations will require a new Pharmacode for any product name or description change.

**3 & 4. Formulation**

Formulation or characteristic change that will alter the existing trade item. A new Pharmacode® ID would be required if the pharmacy is expected to distinguish the new from the old trade item and dispense accordingly, or if regulations or other requirements dictate so, or if changes alter the fundamental patient benefit.

**5 & 6. Unit Form, Quantity, and Product Content**

Any change to the declared count of trade items at any level of packaging will require a new Pharmacode®. When a Pack is sold by count and labelled only by count and the count changes - a new Pharmacode is required.

**7. Combination Pack**

Two or more retail trade items normally sold separately, that are bound together creating a new trade item. Example: A bottle of shampoo bound together with a bottle of conditioner.

**10. Form, Features**

A change in characteristic, fit or function or any change that would require the patient to interact differently, or changes to the fundamental benefits as it relates to the patient.

**Note: Minor formulation** changes, micro-nutrient changes in dietary supplements, or any change in the formula that does not require a change in the patient declaration as defined by legislation such as declared allergens or any change that the pharmacy would not recognize or need to interact with differently would keep the same Pharmacode.

## Procedure for Product Changes

The Notification of Product Changes form is used for notification to both PHARMAC and the Pharmacy Guild of changes in price of subsidised products or the introduction of products with the new status of subsidised. The protocol on the back of this form must be followed to be included in the Pharmaceutical Schedule and the Pharmacode® data sent to subscribers.

Except for the price, any change notified on a Notification of Product Change form to the Generic Name, Brand Form and/or Pack Size will require a new Pharmacode® ID to be allocated. Exceptions are made for items which are confidential as they may be subject to change to gain MedSafe approval and for corrections when information recorded may be in error.

There are justifications for new Pharmacode IDs for many reasons: for example, the claiming model cannot manage changes in pack sizes; a pack size change can cause a range of problems with scripts that have, for whatever reason, been deferred from one claiming month to the next.

**Case Study:**

A pharmacy claims a 10ml injection in June.

The pack size is changed from **ten x 10mL** injection to **one x 10mL** injections without a new Pharmacode® ID number.

In July when the claim item is processed the processing system sees that the pharmacy are claiming **one x 10mL** injection. Through no fault of the pharmacy, they are paid for one injection when they claimed for ten.

Pharmacies order their stock using the Pharmacode® number, and Pharmaceutical wholesalers use the Pharmacode® as an intrinsic part of their operating systems.

Continuing with the example above; a pharmacy orders a medicine based on usage of that medicine in their pharmacy system. If the pack size change is not notified and a new Pharmacode ID not issued, the pharmacy finds it is suddenly ordering 10 times as much as they were (or 10 times less).

Lastly – historical information becomes confusing. A pharmacist dispensed 10units last month and only 1unit this month but in fact they were dispensing the same amount.

All of these issues can be avoided by simply notifying PHARMAC and the Pharmacy Guild of a product change so the Guild can allocate a new Pharmacode ID at the time of any pack size change in the marketplace

For New Listings on the Pharmaceutical Schedule the supplier must notify PHARMAC, the Pharmacy Guild and the market by 4.30 pm on the 12th of the month prior to listing. When notifying, the supplier must have stock available for supply.

Once a supplier decides to change the price or other details of a subsidised -- pharmaceutical product, the supplier must notify the marketplace, the Pharmacy Guild and PHARMAC by 4.30 pm on the 12th of the month. After this deadline, all stock sold by the supplier must reflect the changed price of the product.

The Guild and PHARMAC will then make these changes in their databases.

The Guild and PHARMAC communicate and verify subsidy information. Then the Guild recalculates the differential between the manufacturer’s price and the Pharmaceutical Schedule subsidy. (This is termed the premium.)

Changes to the pharmaceutical product’s premium will also be forwarded to the software vendors for inclusion in the computer dispensary programme. This enables current premiums to be available on the pharmacist’s computer, for reimbursement claiming purposes and price calculations.

If the deadline is not respected, the pharmacist could be unaware of the new premium, and therefore be financially disadvantaged in the event of a price increase, or patients could be disadvantaged in the case of a price decrease.

Upon receipt of the changes, PHARMAC will notify the appropriate Therapeutic Group Managers and review the changes with the current *Pharmaceutical Schedule*.

PHARMAC will confirm these details with the supplier, Pharmacy Guild, and

Sector Services (the Government organisation that processes the subsidy payments to pharmacists).

Once the changes are processed, the Schedule’s *Monthly Update* is produced and then distributed for use by the first of the month. PHARMAC makes every endeavour to distribute by about the 23rd of the month to give pharmacies time to adjust stock and pricing.

Download this form from www.pharmac.govt.nz under the Pharmaceutical Suppliers section

## Frequently Asked Questions

If you do not find what you’re looking for here, please contact the Pharmacy Guild on 04 802 8200

**What is “Pharmacode®”?**

Pharmacode is a system used by PHARMAC and pharmacies throughout New Zealand. It is a unique coding system for items sold through pharmacies and is also part of the subsidy claiming system.

**What is the cost to apply for a Pharmacode?**

$115 including GST per product registered in the Pharmacode® system.

**How do I apply for a Pharmacode?**

Request forms via email to info@pharmacode.co.nz

**I have several items that need Pharmacode do I need to use a separate form for each one?**

The latest order form is in spreadsheet format. You can list many items on this newer form.

**How long does it usually take to receive my Pharmacode back?**

The aim is to add new items to the pharmacode® system within 24 hours of receiving the details required.

**Do I need to notify the Pharmacy Guild when a product is discontinued or modified?**

Yes. To keep the product information pharmacists receive up-to-date, we need to be notified of discontinued or modified products. If the product is also subsidised, you will also need to notify PHARMAC.

**I have a Pharmacode for an existing product that is changing; can I keep using the same Pharmacode?**

This will require a new Pharmacode as it has been altered and therefore is not the same product that the Pharmacode was initially allocated to.

**Our product has been given new product codes or barcodes; do I need new Pharmacodes as well?**

No. The Pharmacode is a separate code and is unaffected by changes to barcodes and your internal codes.

## Monthly Schedule

|  |  |
| --- | --- |
| Process | Date\* |
| E-mail changes to PHARMAC | 10th |
| Receive minutes from PHARMAC Board Meeting | 11th |
| Receive Notification of Product Changes forms. | Before 12th |
| Send file download to PHARMAC | 13th |
| Receive draft copy of schedule from PHARMAC | 14th |
| Check all changes on draft with what we have on our database. Confirm any differences with manufacturers/suppliers | Before 3 o'clock on the 14th |
| Receive signed off copy of schedule update from PHARMAC | 15th |
| Send file download to authorised companies | 20th |

\* Dates vary depending on the fall of weekends and statutory holidays.

## Pharmacode® Distributed Data

### Data definitions - Generics

|  |  |  |
| --- | --- | --- |
| Name of field | Type of field | Description |
| Generic Code | Integer | Not Null, Unique A 6 digit code starting with a 1 - e.g.135032 |
| Short Generic Name | Alphanumeric | Not Null Field set at 100 characters. Field may contain commonly used abbreviations |
| Form | Alphanumeric | Not Null *Tablets, capsules, injection, oral solution, etc.* |
| Strength | Alphanumeric | Please note multi compound generics have strengths contained in the Generic name details |
| Subsidy Indicator | Text | SS, NSS, CBS *Indicates whether the generic is listed on the PHARMAC Schedule. NS if non-subsidised, S if Subsidised and CBS if it is a cost, brand & source of supply item.* |
| Pack Size | Decimal | As listed in the PHARMAC Schedule. |
| Unit Of Measure | Character | Inherited from Brand. These are: Box, Caps (capsule), device (medical device), dose, enemas, g (gram), inj (injection), ml, pack (used as a “miscellaneous” unit), pair (twin items), sachet, sup (suppository), tabs (tablets), test, units (bulk or indivisible pack sold in multiple amounts). |
| Subsidy level | Currency | ($#,###.##) *Subsidy level as listed in the PHARMAC Schedule.* |
| Subsidy Effective Date | Date | (dd/mm/YYYY) *Date when subsidy applies.* |

## Pharmacode® Distributed Data

### Data definitions - Brands

|  |  |  |
| --- | --- | --- |
| Name of field | Type of field | Description |
| Pharmacode | Integer | No deletes, Not Null, Unique, Mod 11 *6-digit number e.g. 793201 until Aug 2001. 7 digit Pharmacode® since Aug 2001* |
| Generic Code | Integer | Not Null, Foreign Key *Used to link the brand details to the generic if an ethical product* |
| Brand Name | Character | Not Null, Foreign Key |
| Manufacturer | Character | Not Null *This is usually the NZ supplier/agent or distributor if the product is manufactured overseas* |
| EAN Code | Character | A Barcode number |
| Product Description | Character | Not Null  *40-character field e.g. tablets, capsules, etc.* |
| Pack Size | Decimal | Not Null, Not Zero  *Volume per each E.g. 5, 200* |
| Unit Of Measure | Character | Box, Caps (capsule), device (medical device), dose, enemas, g (gram), inj (injection), ml, pack (used as a “miscellaneous” unit), pair (twin items), sachet, sup (suppository), tabs (tablets), test, units (bulk or indivisible pack sold in multiple amounts). |
| Date of discontinuation | Date | (dd/mm/YYYY) Date when manufacturer  discontinue product |
| Ex.Manufacturers Cost | Currency | ($#,###. ##) Kept for ethical lines only.  *Price is the ex-manufacturer’s also referred to as “Cost to Wholesaler”; the cost without*  *any mark-ups* |
| Date Effective | Date | (dd/mm/YYYY) Date manufacturer begins to sell the product in the market |
| Premium | Currency | ($#, ###. ##) Ex Manufacturers price less Subsidy |
| Premium Effective Date | Date | (dd/mm/YYYY) The date which the Premium becomes effective. |