

# "Annexure B."

## Estimated Expenditure in Pharmacy for overhead costs January 2010

Item Description	PC 2009	PSF 2009	PC 2010
Pharmacist & pharmacist's assistant CTC	40 706	47 995	46 115
Salaries – Dispensary share of cashier, admin	4 337	5 550	4 878
Skills development (CPD)	217	370	217
Rent	4 832	8 585	6235
Electricity	805	860	805
Water and rates	375	-	375
Repair and maintenance	273	215	273
Insurance for dispensary	991	1 480	991
Audit and accounting fees	694	740	694
Bank charges	1239	1 480	1239
Bad debt	694	740	694
Dispensary telephone and fax	1 301	1 480	1 301
General expenses (postage, printing, stationary, pest control, etc.)	434	370	434
Security	310	3 959	1 170
Cleaning	434	370	434
Computer expenses (ordering system software monthly fee, dispensary software updates)	1 735	1 850	1 735
Dispensary packaging material (vials, bottles, packets)	867	740	
Transport for emergency stock access	620	4 440	
Subscriptions	357	400	
Depreciation on capital items	4 130	3 700	
Equipment rental	173	740	
Unallocated costs	-	1 946	
<b>Total monthly expenses</b>	<b>65 519</b>	<b>89 095*</b>	
Return on investment	6 974	11 710	
<b>Total</b>	<b>72 493</b>	<b>100 050</b>	
* An amount of R 1085 seems to be lost in rounding off of figures			

## General notes on SAPC data

This South African Pharmacy Council (SAPC) did a study to determine a fee for services that pharmacists may levy.

See the attached page with overhead costs for a pharmacy adjusted to exclude the "front-shop" activities (p33 of study)

The indirect labour costs related to salaries of pharmacist's assistants and/or interns. (p23 of study)

Calculating the total expenditure for a pharmacy from this data per month  
= R 47 506  
+ R 35 089 (salary of pharmacist- using PSF CTC)  
= R 82 595 without ROI

If using the PC ROI  
R 82 595  
+ R 6 974  
= R 89 569 divide by 2300 items  
= R 38.94 dispensing fee

If using the PSF ROI  
R 82 595  
+ R 11 710  
= R 94 305 divide by 2300 items  
= R 41.00 dispensing fee

It should be noted that the PSF does not agree with the SAPC salary for a pharmacist's assistant it is too low.  
Furthermore we do not agree with the amount for rent in this table. The SAPC allocated a zero rand value to rent for public sector pharmacies and this distorted the calculation.  
The PSF do not accept the SAPC expenditure to be complete there is some costs left out e.g. Indemnity insurance, GPP requirements such as cold chain management equipment and requirements, etc.