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To all interested parties.

Reference pricing of mesalazine tablets on the Pharmaceutical Schedule

PHARMAC intends to take a proposal to the PHARMAC Board to apply reference pricing to the two brands of mesalazine tablets (Pentasa and Asacol) that are currently listed on the Pharmaceutical Schedule as follows:

Brand	Supplier	Strength	Pack size	Current Price (and Subsidy)	Proposed New Subsidy
Asacol	Baxter	400mg	100	\$ 68.40	\$ 68.40
Pentasa	Pharmaco NZ	500mg	100	\$ 85.50	\$ 68.40

Both brands of mesalazine tablets are currently fully subsidised at a price of \$0.17 per 100mg of mesalazine. However, the Pharmacology and Therapeutics Advisory Committee (PTAC) has advised PHARMAC that the 400 mg Asacol tablet and the 500 mg Pentasa long acting tablet would have a similar therapeutic effect for most patients, and that reference pricing could be applied on this basis.

PHARMAC staff intend to take this proposal to the PHARMAC Board in October 2003. Should the PHARMAC Board accept the proposal, the subsidy for Pentasa brand of mesalazine tablets would be reduced from 1 December 2003.

If you would like to provide any comments on this proposal please forward them to PHARMAC by 5 pm, **Monday, 13 October 2003**.

Yours sincerely



Steffan Crausaz
Therapeutic Group Manager