

7 November 2003



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To all interested parties

Consultation on a proposal from Healthcare Logistics Limited in relation to the supply of streptokinase (Streptase) to DHB Hospitals

Following receipt of a proposal from Healthcare Logistics Limited in response to PHARMAC's 16 July 2003 Request for Proposals to supply pharmaceuticals to District Health Board (DHB) hospitals, PHARMAC has signed a provisional agreement with Healthcare Logistics regarding the supply of streptokinase (Streptase). The main features of the proposal are outlined further in this letter.

The PHARMAC Board/Chief Executive under Delegated Authority will consider this proposal in November 2003. If you have comments to make on this proposal and would like those comments to be considered by the PHARMAC Board/Chief Executive then please send them to Matthew Perkins at PHARMAC **by 5p.m. on Friday, 21 November 2003**. The PHARMAC Board/Chief Executive will consider all comments received by this date.

The provisional agreement covers solely the hospital pharmaceutical streptokinase (Streptase) in the 1,500,000 iu vial and the 250,000 iu vial.

Overview of proposal

If this proposal is accepted, Hospital Supply Status (HSS – as defined in Section H of the Pharmaceutical Schedule) would be awarded to Streptase until 30 June 2006. There would be a 3-month period following notification before DHB Hospitals were required to comply with any DV Limits.

It is proposed that from 1 January 2004, Healthcare Logistics would supply Streptase 1,500,000 iu vial to DHB Hospitals or their purchasers at the prices set out in Table One, subject to discounts, which would be indicated on the relevant invoices. DHB Hospitals may verify the level of these discounts with PHARMAC.

Table One (attached) sets out the pharmaceuticals supplied by Healthcare Logistics to which PHARMAC proposes to list on Section H and award Hospital Supply Status, the associated Discretionary Variance (DV) Limits, and DV Pharmaceuticals (all as defined in Section H of the Pharmaceutical Schedule).

Feedback

If you wish to make comments on this proposal, please forward them to PHARMAC by **5 p.m. on Friday, 21 November 2003**. Should you have any questions regarding aspects of this proposal please contact me (04 9167 504; matthew.perkins@pharmac.govt.nz).

Yours sincerely



Matthew Perkins
Hospital Pharmaceuticals Contracts Manager

TABLE ONE – Products to be supplied to DHB Hospitals and listed in Section H of the Pharmaceutical Schedule

<i>Pharmaceutical</i>	<i>Brand</i>	<i>Form</i>	<i>Strength</i>	<i>Pack Size</i>	<i>Price (Exclusive of GST) (\$NZ)</i>	<i>DV Limit</i>	<i>DV Pharmaceuticals Brand (Supplier)</i>
Streptokinase	Streptase	Vial	1,500,000 IU	1	412.00♦	0%	(B)
Streptokinase	Streptase	Vial	250,000 IU	1	107.00	0%	(B)

Note: Products listed with DV Pharmaceuticals of (B) are subject only to part (b) of the definition of “DV Pharmaceutical” in the Section H of the Pharmaceutical Schedule.

♦ Subject to confidential discounting upon invoice arrangement with additional discount once pre-agreed volume levels have been reached.