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2 April 2004

To All Interested Parties

By facsimile (3 pages)

Consultation on the Schering-Plough proposal regarding pegylated interferon alpha-2b with ribavirin (Pegatron) and various other pharmaceuticals

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PHARMAC has signed a provisional agreement with Schering-Plough involving the listing of pegylated interferon alpha-2b with ribavirin (Pegatron), pegylated interferon alpha-2b (PEG-Intron), and mometasone furoate (Elocon) on the Pharmaceutical Schedule. The proposal would extend funded access to a pegylated interferon alpha product (with or without ribavirin), to include patients with genotype 1, 4, 5 or 6 infection, or those with genotype 2 or 3 infection who also have bridging fibrosis or cirrhosis. The main features of this proposal are outlined further in this letter.

If you have comments to make on this proposal and would like those comments to be considered by the PHARMAC Board then please send them to PHARMAC by **5 p.m. on Monday, 19 April 2004**. The PHARMAC Board will consider all comments submitted by this date.

Pegylated interferon alpha-2b with/without ribavirin (Pegatron/PEG-Intron)

In relation to pegylated interferon alpha-2b with and without ribavirin, PHARMAC proposes to:

- list the following products, in Section B of the Pharmaceutical Schedule, under a Special Authority restriction (detailed later) at the prices and subsidies listed in the following table. The listing of Pegatron and PEG-Intron would be subject to confidential rebate arrangements.

Pharmaceutical	Brand	Presentation	Pack size	Proposed price and subsidy
Pegylated interferon alpha-2b	PEG-Intron	50 microgram powder for injection with 2 ml water for injections	1 vial	\$ 166.50
Pegylated interferon alpha-2b	PEG-Intron	80 microgram powder for injection with 2 ml water for injections	1 vial	\$ 266.40
Pegylated interferon alpha-2b	PEG-Intron	100 microgram powder for injection with 2 ml water for injections	1 vial	\$ 333.00
Pegylated interferon alpha-2b	PEG-Intron	120 microgram powder for injection with 2 ml water for injections	1 vial	\$ 399.60

Pegylated interferon alpha-2b	PEG-Intron	150 microgram powder for injection with 2 ml water for injections	1 vial	\$ 499.50
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	100 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 112 capsules	\$ 1,746.40
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	120 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 140 capsules	\$ 2,116.40
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	150 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 140 capsules	\$ 2,516.00
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	150 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 168 capsules	\$ 2,619.60
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	100 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 84 capsules	\$ 1,642.80
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	120 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 84 capsules	\$ 1,909.20
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	150 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 84 capsules	\$ 2,308.80
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	50 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 112 capsules	\$ 1,080.40
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	80 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 140 capsules	\$ 1,583.60
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	80 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 168 capsules	\$ 1,687.20
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	50 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 84 capsules	\$ 976.80
Pegylated interferon alpha-2b and ribavirin	Pegatron Combination Therapy	80 microgram powder for injection with 2 ml water for injections and 200 mg capsules	4 vials with 84 capsules	\$ 1,376.40

Price and subsidies are ex-manufacturer, exclusive of GST

- apply the following Special Authority criteria to the prescribing and dispensing of all presentations of pegylated interferon alpha-2b with ribavirin (Pegatron) and pegylated interferon alpha-2b (PEG-Intron):

Special Authority – Hospital pharmacy [HP3]

- a) For patients with:
- i) chronic hepatitis C, genotype 1, 4, 5 or 6 infection; or
 - ii) chronic hepatitis C, genotype 2 or 3 infection who also have bridging fibrosis or cirrhosis (Metavir stage 3 or 4, or equivalent).
- b) Specialist must make application.
- c) Approvals valid for 11 months.

Mometasone furoate (Elocon)

In relation to mometasone furoate (Elocon), PHARMAC proposes to:

3. reduce the subsidies for the various Elocon products to the new price offered by Schering-Plough, as follows:

Pharmaceutical	Brand	Presentation	Pack size	Current price and subsidy	Proposed price and subsidy
Mometasone furoate	Elocon	0.1% cream	15 g	\$4.95	\$ 3.96
Mometasone furoate	Elocon	0.1% ointment	45 g	\$13.52	\$ 10.82
Mometasone furoate	Elocon	0.1% cream	15 g	\$4.95	\$ 3.96
Mometasone furoate	Elocon	0.1% ointment	45 g	\$13.52	\$ 10.82
Mometasone furoate	Elocon	0.1% lotion	50 ml	\$10.00	\$ 8.00

4. list, as soon as practical, should regulatory approval and other consents be granted, mometasone furoate 0.1% lotion in a pack size of 30 ml in Section B of the Pharmaceutical Schedule at a price and subsidy of \$ 4.80 (ex-manufacturer, excl GST).

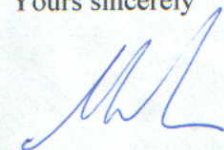
Following the listing of the 30 ml pack size of Elocon lotion, the 50 ml pack size would be delisted after a period of 6 months.

If approved by the Board, this proposal would be implemented on 1 June 2004.

If you wish to make comments on this proposal, please forward them to Steffan Crausaz at PHARMAC by **5 p.m. on Monday, 19 April 2004**.

A copy of this letter can be found on PHARMAC's website at www.pharmac.govt.nz/consultation.asp.

Yours sincerely



Wayne McNee
Chief Executive