

17 September 2004

PHARMAC *000*

Pharmaceutical Management Agency

TO ALL PHARMACEUTICAL SUPPLIERS
AND INTERESTED PARTIES

By facsimile (*2 pages*)

Level 14, Cigna House,
40 Mercer Street, PO Box 10-254
Wellington 6001, New Zealand
Phone 64 4 460 4990
Fax 64 4 460 4995
www.pharmac.govt.nz

Dear Sir/Madam

**CONSULTATION ON PROPOSAL FOR LISTING INFLUENZA VACCINE ON THE
PHARMACEUTICAL SCHEDULE**

The PHARMAC Board agreed to undertake the procurement of an influenza vaccine from the 2005 season at the request of DHBs. Consequently a Request for Proposals (RFP) was issued on 25 June 2004.

PHARMAC has signed a provisional agreement with Merck Sharp and Dohme (MSD) for the Sole Subsidised Supply of Vaxigrip, manufactured by Aventis Pasteur. The agreement is subject to consultation and PHARMAC Board approval.

Details of the proposal is as follows:

Influenza vaccine (Vaxigrip) would be listed on the Pharmaceutical Schedule from 1 December 2004 for a maximum period of three years until 30 June 2007. Price and subsidy would be:

Chemical	Brand	Pack size	Price and Subsidy¹
Influenza Vaccine 0.5 ml injection	Vaxigrip	10	\$59.50

1 - Note price and subsidy are \$NZ, ex-manufacturer, exclusive of GST

From 1 January 2006 the price and subsidy would be decreased to \$58.00 and from 1 January 2007 the price and subsidy would be decreased to \$56.50.

This proposal offers estimated savings to District Health Boards over the three influenza seasons to 30 June 2007 of \$178,000 NPV compared with the current price for influenza vaccine. The savings to the privately funded patients over the three influenza seasons is estimated to be \$125,000 NPV, if all privately funded patients are administered Vaxigrip.

Vaxigrip is a purified, inactivated split virion vaccine, each 0.5 ml of which would contain the antigens in accordance with the recommendations from the World Health Organisation (WHO) for each Southern Hemisphere influenza season. Vaxigrip would be supplied in a pack size of 10, with an attached needle. Currently, over 120 million doses of Vaxigrip are produced for the world market annually.

The cold chain accredited distributor, Exel New Zealand Ltd, would distribute Vaxigrip to doctors and vaccinators.

Vaxigrip would be available for purchase from 1 March until at least 30 June for each of the three years included in the agreement.

Each doctor's and vaccinator's address would be allowed up to four deliveries per calendar month for which freight costs are not charged. For orders greater than four per calendar month delivery/freight costs may be charged. No charges would be made for any costs associated with storage, handling or packaging for any delivery.

The following minimum order requirements may be imposed by MSD during an Influenza Season:

Period during which order from Doctor or Vaccinator received	Minimum order requirement
1 March – 31 March	50 Units of Vaxigrip
1 April – 30 April	30 Units of Vaxigrip
1 May – 31 May	30 Units of Vaxigrip
1 June – 30 June	10 Units of Vaxigrip

MSD would provide a returns policy whereby doctors or vaccinators could return un-used stock of Vaxigrip held by them after 30 June of the Influenza Season and be refunded the above price, pro rated, for up to 10 units of Vaxigrip.

The current claiming method for patients eligible for subsidised influenza vaccination through HealthPAC would remain unchanged. Vaxigrip would be subsidised from 1 March to 30 June of each Influenza Season until 30 June 2007. The eligibility criteria for subsidised influenza vaccination, set by the Ministry of Health, would also remain unchanged; the current eligibility criteria are:

- (a) all people 65 years of age and over; and
- (b) people under 65 years of age with:
 - (i) the following cardiovascular disease:
 - (A) ischaemic heart disease;
 - (B) congestive heart disease;
 - (C) rheumatic heart disease;
 - (D) congenital heart disease; or
 - (E) cerebo-vascular disease;
 - (ii) chronic respiratory disease as follows:
 - (A) asthma, if on a regular preventative therapy; or
 - (B) other chronic respiratory disease with impaired lung function;
 - (iii) diabetes;
 - (iv) chronic renal disease;
 - (v) any cancer, excluding basal and squamous skin cancers if not invasive;
 - (vi) the following other conditions:
 - (A) autoimmune diseases;
 - (B) immune suppression;
 - (C) HIV;
 - (D) transplant recipients;
 - (E) neuromuscular and CNS diseases;
 - (F) haemoglobinopathies; or
 - (G) children on long term aspirin.

It is proposed that the current eligibility criteria would be included in the Pharmaceutical Schedule, however an exclusion may be included allowing individual DHB variation over and above these criteria.

If an influenza pandemic occurs, as determined by the Ministry of Health, MSD would not have Sole Subsidised Supply status for Vaxigrip for the duration of the pandemic. MSD would comply with the Ministry of Health and WHO pandemic plans and secure supply of a vaccine that could be used to immunise against the pandemic strains for a price to be agreed at such time.

If you have any comments to make on the above listing proposal and you would like these comments to be considered by the PHARMAC Board, or Chief Executive under delegated authority, then please send them to Andrea Dick, Hospital Pharmaceuticals Contracts Manager, at PHARMAC (facsimile: 04 460 4995) **by 5 pm Friday 8 October 2004.**

Yours sincerely



Wayne McNee
Chief Executive