

15 December 2004

**To All Pharmaceutical Suppliers, Medical Groups and Interested Parties***By facsimile (2 pages)***CONSULTATION ON LISTING OF HABITROL NICOTINE GUM AND PATCHES ON THE PHARMACEUTICAL SCHEDULE AS SOLE SUPPLIER FOR THE SMOKING CESSATION CAMPAIGN**

PHARMAC has reached provisional agreement with Novartis Consumer Health for Habitrol nicotine gum and patches to be the sole product supplied to the National Smoking Cessation Campaign (the "Campaign"). The provisional agreement also includes the listing of Habitrol in the community (Section B) and hospital (Section H) sections of the Pharmaceutical Schedule. Acceptance of the agreement with Novartis is subject to consultation and approval by the PHARMAC Board or Chief Executive under delegated authority.

Other than the new brand name, Habitrol gum and patches are the same as the Nicotinell gum and patches that were supplied to the Campaign prior to the use of the current product, Nicotrol. It is proposed that there would be a two month transition period from 1 February to 31 March 2005 where both Habitrol and Nicotrol were available for use for the Campaign, after which Nicotrol would be delisted from the Pharmaceutical Schedule.

***Community listing***

If the community provisional agreement is accepted Habitrol would be:

- listed in Section B of the Pharmaceutical Schedule from 1 February 2005 with the same restriction as Nicotrol has currently – "Nicotine patches and gum are only available/subsidised on presentation of a Quitline Exchange Card";
- the sole supplier of nicotine replacement therapy (both gum and patches) to the Campaign from 1 April 2005 to 31 December 2007;
- subject to confidential rebate provisions
- available to providers of gum and patches who are part of the Campaign, but do not make use of Quitline cards, at the after rebate price (which is lower than the current price of Nicotrol) by arrangement with PHARMAC and Novartis Consumer Health;
- listed on the Pharmaceutical Schedule at the following prices and subsidies:

Form	Strength	Pack Size	Price and subsidy
Gum pellet (mint flavour)	2 mg	96	\$14.97
Gum pellet (fruit flavour)	2 mg	96	\$14.97
Gum pellet (mint flavour)	4 mg	96	\$20.02
Gum pellet (fruit flavour)	4 mg	96	\$20.02
Transdermal patch	7 mg	7	\$10.53
Transdermal patch	14 mg	7	\$11.63
Transdermal patch	21 mg	7	\$12.32

Prices and subsidies are ex manufacturer, ex GST.

***Hospital listing***

If the provisional agreement is accepted Habitrol would:

- be listed in Section H of the Pharmaceutical Schedule at the same listing prices shown in the table above, but would not have Hospital Supply Status;
- be available for supply to Hospital Pharmacies, that are not submitting claims to HealthPAC for Qutline cards, at a confidential discounted price.

If you wish to make comments for the PHARMAC Board or Chief Executive to consider when making its decision on whether to accept the provisional agreements, please forward them to Hew Norris at PHARMAC by **4:00pm on Monday, 10 January 2005**.

Yours sincerely



Hew Norris  
Therapeutic Group Manager