

2 December 2005

To All Pharmaceutical Suppliers, Hospital Pharmacists, Medical Groups and Interested Parties

Consultation on the proposed amendments to the listing of various pharmaceuticals from Roche Products (New Zealand) Limited on Sections B and H of the Pharmaceutical Schedule

PHARMAC has entered into a provisional agreement with Roche Products (New Zealand) Limited (Roche) to amend the listing of various products on Section B (community) and Section H (hospital) of the Pharmaceutical Schedule. The main elements of this provisional agreement are outlined below.

Hospital pharmaceuticals

PHARMAC would list the pharmaceuticals outlined in Table One at prices indicated on Section H with Hospital Supply Status (HSS) and associated DV Pharmaceuticals.

Table One

Pharmaceutical	Brand	Form and Strength	Pack Size	List Price NZS	DV Limit	DV Pharmaceuticals (and supplier)
Bezafibrate	Bezalip Retard	Tablet, 400 mg	30	7.60	5%	(B)
Midazolam	Hypnovel	Ampoule, 5 mg per ml, 3 ml	5	14.00	5%	Midazolam Injection BP (Mayne)
Midazolam	Hypnovel	Ampoule, 1 mg per ml, 5 ml	10	12.65	5%	Midazolam Injection BP (Mayne)
Rituximab	Mabthera	Vial, 10 mg per ml, 10 ml	2	1,195.00	5%	(B)
Rituximab	Mabthera	Vial, 10 mg per ml, 50 ml	1	2,987.00	5%	(B)
Erythropoietin beta	Recormon	Pre-filled syringe, 1,000 u	6	76.02	5%	(B)
Erythropoietin beta	Recormon	Pre-filled syringe, 2,000 u	6	152.04	5%	(B)
Erythropoietin beta	Recormon	Pre-filled syringe, 3,000 u	6	228.06	5%	(B)
Erythropoietin beta	Recormon	Pre-filled syringe, 4,000 u	6	304.08	5%	(B)
Erythropoietin beta	Recormon	Pre-filled syringe, 5,000 u	6	380.10	5%	(B)
Erythropoietin beta	Recormon	Pre-filled syringe, 6,000 u	6	456.12	5%	(B)
Erythropoietin beta	Recormon	Pre-filled syringe, 10,000 u	6	760.20	5%	(B)
Retepase	Rapilysin	Pre-filled syringe, 10 u	2	1,850.00	5%	(B)
Daclizumab	Zenapax	Vial, 5 mg per ml, 5 ml	1	635.00	5%	(B)

Products with DV Pharmaceuticals listed as (B) in the above table would be subject only to part (b) of the definition of "DV Pharmaceutical" in Section H of the Pharmaceutical Schedule.

Purchases of rituximab (Mabthera), reteplase (Rapilysin) and daclizumab (Zenapax) would be subject to a confidential discount on invoice and erythropoietin beta (Recormon) would be subject to a confidential rebate.

Prices, including prices discounted via rebate or discount on invoice, would apply from 1 February 2006; all pharmaceuticals would have HSS from 1 April 2006 until 30 June 2009.

Community pharmaceuticals

PHARMAC would list the following pharmaceuticals at the prices indicated in Table Two on Section B of the Pharmaceutical Schedule.

Table Two

<i>Pharmaceutical</i>	<i>Brand</i>	<i>Form and Strength</i>	<i>Pack Size</i>	<i>Proposed price and subsidy NZ\$</i>
Bezafibrate	Bezalip Retard	Tablet, 400 mg	30	7.60
Midazolam	Hypnovel	Ampoule, 15 mg per 3 ml	5	14.00
Midazolam	Hypnovel	Ampoule, 5 mg per 5 ml	10	12.65
Erythropoietin beta	Recormon	Pre-filled syringe, 1,000 u	6	76.02
Erythropoietin beta	Recormon	Pre-filled syringe, 2,000 u	6	152.04
Erythropoietin beta	Recormon	Pre-filled syringe, 3,000 u	6	228.06
Erythropoietin beta	Recormon	Pre-filled syringe, 4,000 u	6	304.08
Erythropoietin beta	Recormon	Pre-filled syringe, 5,000 u	6	380.10
Erythropoietin beta	Recormon	Pre-filled syringe, 6,000 u	6	456.12
Erythropoietin beta	Recormon	Pre-filled syringe, 10,000 u	6	760.20

Community purchases of erythropoietin beta (Recormon) would be subject to a confidential rebate.

All community pharmaceuticals would remain fully subsidised until at least 30 June 2009. Erythropoietin beta would remain listed subject to the Special Authority criteria contained in the August 2005 edition of the Pharmaceutical Schedule.

Proposed reference pricing

PHARMAC propose to reference price all strengths of erythropoietin alpha to erythropoietin beta such that the subsidy available for erythropoietin alpha would be as in Table Three.

Table Three

<i>Pharmaceutical</i>	<i>Brand</i>	<i>Form and Strength</i>	<i>Pack Size</i>	<i>Current subsidy (and price) NZ\$</i>	<i>Proposed subsidy Feb06-Jan07 NZ\$</i>	<i>Proposed subsidy Feb07 onwards NZ\$</i>
Erythropoietin alpha	Eprex	Pre-filled syringe, 1,000 u		76.02 (162.90)	68.42	60.82
Erythropoietin alpha	Eprex	Pre-filled syringe, 2,000 u		152.04 (325.80)	136.84	121.63
Erythropoietin alpha	Eprex	Pre-filled syringe, 3,000 u		228.06 (455.34)	205.25	182.45
Erythropoietin alpha	Eprex	Pre-filled syringe, 4,000 u		304.08 (572.40)	273.67	243.26
Erythropoietin alpha	Eprex	Pre-filled syringe, 10,000 u		760.20 (1322.82)	684.18	608.16

Under the proposal, erythropoietin alpha would remain listed on the Special Authority criteria contained in the August 2005 edition of the Pharmaceutical Schedule.

It is anticipated the proposed changes, if approved by the PHARMAC board or Chief Executive under delegated authority, would take effect from 1 February 2006.

If you wish to make comments for the PHARMAC Board or Chief Executive to consider when making its decision on whether to accept this proposal, please forward them to Matthew Perkins at PHARMAC (ph: +4 9167 507; email: matthew.perkins@pharmac.govt.nz) by **5.00 pm on Friday, 16 December 2005**.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Perkins', is written above the typed name.

Matthew Perkins
Hospital Pharmaceuticals Contracts Manager