

26 May 2006

To All Pharmaceutical Suppliers, Medical Groups and Interested Parties

Proposal regarding gabapentin (Nupentin) and nifedipine (Adefin XL)

PHARMAC is seeking feedback on a proposal in relation to the listing of Pacific Pharmaceuticals' brands of gabapentin (Nupentin) and nifedipine (Adefin XL). PHARMAC also seeks feedback on a proposal to remove the Special Authority applying to subsidies for nifedipine. If approved by PHARMAC's Board (or Chief Executive acting under delegated authority) it is anticipated that the proposal would be effective from 1 July 2006.

Details of the proposals are as below.

Provisional agreement with Pacific Pharmaceuticals Limited

PHARMAC has entered into a provisional agreement with Pacific Pharmaceuticals Limited in relation to the pharmaceuticals gabapentin and nifedipine. The main elements of this provisional agreement are:

Gabapentin

- PHARMAC would list gabapentin (Nupentin) capsules in Section B and Section H of the Pharmaceutical Schedule from 1 July 2006 as follows:

Pharmaceutical	Form	Strength	Brand	Pack Size	Price and Subsidy
Gabapentin	Capsule	100 mg	Nupentin	100	\$13.26
Gabapentin	Capsule	300 mg	Nupentin	100	\$39.76
Gabapentin	Capsule	400 mg	Nupentin	100	\$53.01

- Nupentin would be listed in Section B of the Pharmaceutical Schedule under the current Special Authority for gabapentin.

Nifedipine

- PHARMAC would list nifedipine (Adefin XL) long-acting 30mg and 60mg tablets in Section B and Section H of the Pharmaceutical Schedule from 1 July 2006 as follows:

Pharmaceutical	Form	Strength	Brand	Pack Size	Price and Subsidy
Nifedipine	Tablet long-acting	30 mg	Adefin XL	30	\$11.26
Nifedipine	Tablet long-acting	60 mg	Adefin XL	30	\$16.15

Proposal to remove the Special Authority for nifedipine in Section B of the Pharmaceutical Schedule

In addition to, the proposal relating to the provisional agreement with Pacific Pharmaceuticals Limited, PHARMAC also seeks feedback on a proposal to remove the Special Authority requirement for access to full subsidies for nifedipine, and to increase the subsidy for Adalat 10 so that it becomes fully subsidised, from 1 July 2006. The proposal is also to reference price nifedipine 30 mg and 60 mg to felodipine 5 mg and 10 mg tablets.

If the proposal was approved by PHARMAC's Board (or Chief Executive) this would mean that should the supplier of Adalat Oros decide not to reduce its price to the level of the reference price then that product would no longer be fully subsidised. If this occurs then any outstanding repeats for Adalat Oro's 30 mg and 60 mg as at 1 July 2006 will be fully subsidised.

- PHARMAC proposes to increase the subsidy for nifedipine long-acting 10 mg tablets in Section B of the Pharmaceutical Schedule from 1 July 2006 as follows:

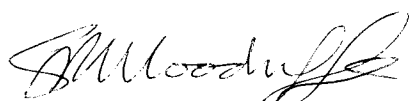
Pharmaceutical	Form	Strength	Brand	Pack Size	Current Price	Current Subsidy	Proposed Subsidy
Nifedipine	Tablet long-acting	10 mg	Adalat 10	60	\$17.72	\$17.16	\$17.72

- PHARMAC proposes to reference price nifedipine long-acting 30 mg and 60 mg tablets to felodipine long-acting 5 mg and 10 mg tablets respectively, in Section B of the Pharmaceutical Schedule from 1 July 2006 as follows:

Pharmaceutical	Form	Strength	Brand	Pack Size	Current Price	Current Subsidy (With SA)	Proposed Subsidy
Felodipine	Tablet long-acting	5 mg	Felo 5 ER	90	\$16.50	\$16.50	-
Nifedipine	Tablet long-acting	30 mg	Adalat Oros	30	\$19.90	\$4.69 (\$19.90)	\$5.50 -
Felodipine	Tablet long-acting	10 mg	Felo 10 ER	90	\$24.00	\$24.00	-
Nifedipine	Tablet long-acting	60 mg	Adalat Oros	30	\$29.50	\$7.01 (\$29.50)	\$8.00 -

It is anticipated that the proposed changes, if approved by PHARMAC's Board, would take effect from 1 July 2006. If you wish to make comments for the PHARMAC Board to consider when making its decision on whether to accept this proposal, please forward them to Stephen Woodruffe at PHARMAC by **5:00 pm, 9 June 2006**.

Yours sincerely



Stephen Woodruffe
Therapeutic Group Manager Intern