

17 November 2006

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

Consultation on provisional agreement with Pacific Pharmaceuticals Limited for sole supply of paroxetine hydrochloride on the Pharmaceutical Schedule

Following a Request for Proposals for the sole subsidised supply of paroxetine, PHARMAC and Pacific Pharmaceuticals have entered into a provisional agreement for the listing of paroxetine hydrochloride 20 mg tablets (Loxamine) in Sections B and H of the Pharmaceutical Schedule from 1 April 2007. We are now seeking feedback on this proposal. Key aspects of the proposal are as follows:

Section B

The following prices and subsidies would apply to paroxetine hydrochloride 20 mg tablets in Section B of the Pharmaceutical Schedule:

Date	Brand (Supplier)	Price per pack of 30 tablets	Subsidy	Fully subsidised?
1 April 2007 to 31 May 2007	Loxamine (Pacific)	\$5.90	\$5.90	Yes
	Aropax (GlaxoSmithKline)	\$35.02	\$1.90	Full subsidy only available by endorsement
1 June 2007 to 31 August 2007	Loxamine (Pacific)	\$5.90	\$5.90	Yes
	Aropax (GlaxoSmithKline)	\$35.02	\$5.90	The higher subsidy by endorsement would be removed from 1 June 2007, so a part charge would apply if the price of Aropax is not reduced
1 September 2007 to 30 June 2010	Loxamine (Pacific)	\$5.90	\$5.90	Yes. Loxamine would be the only subsidised brand of paroxetine during this period
	Aropax (GlaxoSmithKline)	Delisted	Delisted	No – not subsidised

Section H

From 1 April 2007 Loxamine would be listed in Part II of Section H of the Pharmaceutical Schedule at the following price (ex-manufacturer, excluding GST):

Pharmaceutical	Brand	Form	Strength	Pack Size	Subsidy
Paroxetine hydrochloride	Loxamine	Tablet	20 mg	30	\$5.90

From 1 July 2007 Loxamine would have Hospital Supply Status until 30 June 2010, with Discretionary Variance (DV) limits for paroxetine hydrochloride 20 mg tablets as specified in the following table:

Pharmaceutical	Hospital Supply Status Brand	Form and Strength	DV Limit	DV Pharmaceuticals Brand name (Supplier)
Paroxetine hydrochloride	Loxamine	20 mg tablets	1%	Aropax (GlaxoSmithKline NZ Ltd) Apo-Paroxetine (Apotex NZ Ltd) Luxotine (Novartis NZ Ltd)

It is anticipated that the proposed changes, if approved by PHARMAC's Board, or Acting Chief Executive under delegated authority, would take effect from 1 April 2007. 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 PHARMAC by **5:00 pm, 1 December 2006**. All comments submitted by this date will be considered.

Yours sincerely



Geraldine MacGibbon
Therapeutic Group Manager