

17 November 2006

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

Consultation on provisional agreement with Sanofi-Aventis New Zealand Limited for various pharmaceuticals on the Pharmaceutical Schedule

PHARMAC and Sanofi-Aventis New Zealand Limited have entered into a provisional agreement for the terms of listing of various pharmaceuticals in Sections B and H of the Pharmaceutical Schedule.

We are now seeking feedback on this proposal. Key aspects of the proposal are as follows:

Section B

1. It is proposed that the terms of listing for Arava (leflunomide) are amended from 1 May 2007 as follows:

Table 1.

Pharmaceutical	Form	Strength	Pack Size	Brand	Current Price and Subsidy	Proposed Price and Subsidy
Leflunomide	Tablet	10 mg	30	Arava	\$176.70	\$79.27
		20 mg	30		\$242.10	\$108.60
		100 mg	3		\$121.35	\$54.44

- Prior to 1 May 2009 the subsidy for Arava would not be reduced below that proposed in Table 1.
 - Prior to 1 May 2009 the purchase price payable for Arava would not be increased above that proposed in Table 1.
2. It is proposed that the terms of listing of Calcium Resonium (calcium polystyrene sulphonate), Plaquenil (hydroxychloroquine sulphate) Flagyl (metronidazole suppository) and Flagyl-S (metronidazole liquid) would be amended or maintained as applicable from 1 February 2007 as follows:

Table 2.

Pharmaceutical	Form	Strength	Pack Size	Brand	Current Price and Subsidy	Proposed Price and Subsidy
Calcium polystyrene sulphonate	powder	n/a	300 g	Calcium Resonium	\$169.85	\$169.85
Hydroxychloroquine sulphate	tablet	200 mg	100	Plaquenil	\$31.09	\$31.09
Metronidazole	suppository	500 mg	10	Flagyl	\$24.48	\$24.48
Metronidazole		1 g*	10		\$33.31	\$33.31
Metronidazole	liquid	200 mg per 5 ml	100 ml	Flagyl-S	Price: \$28.56 Subsidy: \$17.81	\$25.00

*Flagyl (metronidazole) 1 g suppository would be listed under the terms of the agreement from 1 June 2007.

- Prior to 1 April 2009 the purchase price payable for of Calcium, Plaquenil, Flagyl, and Flagyl-S would not be increased above that proposed in Table 2.

Section H

3. It is proposed that Arava (leflunomide), Calcium Resonium (calcium polystyrene sulphonate), Plaquenil (hydroxychloroquine sulphate) Flagyl (metronidazole suppository) and Flagyl-S (metronidazole liquid) are listed in Section H of the Pharmaceutical Schedule as follows:

Table 3.

Pharmaceutical	Form	Strength	Pack Size	Brand	Price	Date of listing
Leflunomide	tablet	10 mg	30	Arava	\$79.27	May 2007
		20 mg	30		\$108.60	
		100 mg	3		\$54.44	
Calcium polystyrene sulphonate	powder	n/a	300 g	Calcium Resonium	\$169.85	February 2007
Hydroxychloroquine sulphate	tablet	200 mg	100	Plaquenil	\$31.09	February 2007
Metronidazole	suppository	500 mg	10	Flagyl	\$24.48	February 2007
Metronidazole	suppository	1 g	10		\$33.31	June 2007
Metronidazole	liquid	200 mg per 5 ml	100 ml	Flagyl-S	\$25.00	February 2007

- Prior to 1 April 2009 the purchase price payable for of Calcium, Plaquenil, Flagyl, and Flagyl-S would not be increased above that proposed in Table 3.
- Prior to 1 May 2009 the purchase price payable for Arava would not be increased above that proposed in Table 3.

It is anticipated that the PHARMAC's Board, or Acting Chief Executive under delegated authority will consider the above proposal in December 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 Tommy Wilkinson at PHARMAC by **5:00 pm, 1 December 2006**. All comments submitted by this date will be considered.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tommy Wilkinson', with a stylized flourish at the end.

Tommy Wilkinson
Therapeutic Group Manager