

17 November 2006

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

Consultation on provisional agreement with API Consumer Brands Limited for the listings of various pharmaceuticals on the Pharmaceutical Schedule

Following a request for Alternative Commercial Proposals as part of the 2006/07 Tender consultation, PHARMAC and API Consumer Brands Limited have entered into a provisional agreement for the listing of various pharmaceuticals in Sections B and H of the Pharmaceutical Schedule from various dates from 1 February 2007. We note that all pharmaceuticals in this provisional agreement are currently being supplied by API Consumer Brands. We are now seeking feedback on this proposal. Key aspects of the proposal are as follows:

Amendments or Maintaining of Listings in Section B of the Pharmaceutical Schedule

1. It is proposed that the listings of dexamphetamine sulphate and cetomacrogol in Section B of the Pharmaceutical Schedule are amended from 1 February 2007:

Pharmaceutical	Form	Strength	Pack Size	Brand	Current Subsidy	Current Price	Proposed Price and Subsidy
Cetomacrogol	Cream	BP	500 g	PSM	\$2.80	\$15.40	\$4.35
Dexamphetamine Sulphate	Tablet	5 mg	100	PSM	\$19.00	\$19.00	\$18.00

Prices and subsidies are ex-manufacturer, ex-GST.

- The provisional agreement includes delisting protection for all of the pharmaceuticals listed above until 31 December 2007.

2. It is proposed that the listing of permethrin in Section B of the Pharmaceutical Schedule is amended from 1 July 2007:

Pharmaceutical	Form	Strength	Pack Size	Brand	Current Subsidy	Current Price	Proposed Price and Subsidy
Permethrin	Cream	5%	30 g	Lyderm	\$3.80	\$3.80	\$4.20

Prices and subsidies are ex-manufacturer, ex-GST.

- The provisional agreement includes delisting protection for the pharmaceutical listed above until 31 December 2007.

3. It is proposed that the listing of codeine phosphate in Section B of the Pharmaceutical Schedule is amended from 1 July 2007:

Pharmaceutical	Form	Strength	Pack Size	Brand	Current Subsidy	Current Price	Proposed Price and Subsidy
Codeine phosphate	Tablet	15 mg	500 g	PSM	\$7.00	\$7.00	\$6.65
Codeine phosphate	Tablet	30 mg	500 ml	PSM	\$10.00	\$10.00	\$9.75
Codeine phosphate	Tablet	60 mg	2,000 ml	PSM	\$20.00	\$20.00	\$19.65

Prices and subsidies are ex-manufacturer, ex-GST.

- The provisional agreement includes subsidy protection for all of the pharmaceuticals listed above until 31 December 2007.

4. It is proposed that the listings of the following pharmaceuticals in Section B of the Pharmaceutical Schedule are amended or maintained (as applicable) from 1 February 2007:

Pharmaceutical	Form	Strength	Pack Size	Brand	Current Subsidy	Current Price	Proposed Price and Subsidy
Chloroform	Liquid	BP	500 ml	PSM	\$21.30	\$32.00	\$25.50
Coal tar	Solution	BP	500 ml	PSM	\$32.45	\$50.55	\$36.48
Collodion flexible	Liquid	n/a	100 ml	PSM	\$14.60	\$24.00	\$19.30
Gamma benzene hexachloride	Cream	1%	50 g	Benhex	\$3.20	\$4.00	\$3.50
Glycerol	Liquid	n/a	2,000 ml	PSM	\$24.75	\$33.00	\$24.75
Hydrogen peroxide	Solution	10 vol	100 ml	PSM	\$0.75	\$1.80	\$1.28
Isoniazid	Tablet	100 mg	100	PSM	\$21.00	\$21.00	\$20.50
Menthol	Crystals	n/a	25 g	PSM	\$7.40	\$10.60	\$7.40
Phenobarbitone	Tablet	15 mg	500	PSM	\$23.68	\$23.68	\$23.68
Phenobarbitone	Tablet	30 mg	500	PSM	\$24.59	\$24.59	\$24.59
Propylene glycol	Liquid	n/a	500 ml	PSM	\$16.20	\$19.20	\$17.70
Salicylic acid	Powder	n/a	250 g	PSM	\$14.76	\$23.00	\$18.88
Sodium fluoride	Tablet	1.1 mg	100	PSM	\$3.00	\$5.00	\$4.00
Thymol glycerin	Compound, BPC	n/a	500 ml	PSM	\$7.30	\$11.00	\$9.15

Prices and subsidies are ex-manufacturer, ex-GST.

- The provisional agreement includes subsidy protection for all of the pharmaceuticals listed above until 30 June 2010.

5. It is proposed that the listings of the following pharmaceuticals in Section B of the Pharmaceutical Schedule are amended or maintained (as applicable) from 1 July 2007:

Pharmaceutical	Form	Strength	Pack Size	Brand	Current Subsidy	Current Price	Proposed Price and Subsidy
Cholecalciferol	Tablet	1.25 mg (50,000iu)	12	Cal-d-Forte	\$11.50	\$11.50	\$10.35
Glycerol	Suppository	3.6 g	20	PSM	\$5.00	\$5.00	\$5.00
Magensium hydroxide	Paste	29%	500 g	PSM	\$22.61	\$22.61	\$22.61
Paracetamol	Suppository	500 mg	50	Paracare	\$19.50	\$19.50	\$20.50
Pethidine hydrochloride	Tablet	50 mg	10	PSM	\$3.50	\$3.50	\$3.00
Pethidine hydrochloride	Tablet	100 mg	10	PSM	\$4.35	\$4.35	\$4.00

Prices and subsidies are ex-manufacturer, ex-GST.

- The provisional agreement includes subsidy protection for all of the pharmaceuticals listed above until 30 June 2010.

Listings and Amendments of Listings in Section H of the Pharmaceutical Schedule

6. It is proposed that from 1 February 2007 the following pharmaceuticals would be listed in Part II of Section H of the Pharmaceutical Schedule at the following prices:

Pharmaceutical	Form	Strength	Pack Size	Brand	Proposed Price
Dexamphetamine Sulphate	Tablet	5 mg	100	PSM	\$18.00
Isoniazid	Tablet	100 mg	100	PSM	\$20.50

Prices are ex-manufacturer, ex-GST.

7. It is proposed that from 1 July 2007 the following pharmaceuticals would be listed (or amended where applicable) in Part II of Section H of the Pharmaceutical Schedule at the following prices:

Pharmaceutical	Form	Strength	Pack Size	Brand	Current Price	Proposed Price
Cholecalciferol	Tablet	1.25 mg (50,000iu)	20	Cal-d-Forte	\$11.50	\$10.35
Codeine phosphate	Tablet	15 mg	100	PSM	\$7.00	\$6.65
Codeine phosphate	Tablet	30 mg	100	PSM	\$10.00	\$9.75
Codeine phosphate	Tablet	60 mg	100	PSM	\$20.00	\$19.65
Glycerol	Suppository	3.6 g	20	PSM	n/a	\$5.00
Paracetamol	Suppository	500 mg	50	Paracare	n/a	\$20.50
Permethrin	Cream	5%	30 g	Lyderm	n/a	\$4.20
Pethidine hydrochloride	Tablet	50 mg	10	PSM	n/a	\$3.00
Pethidine hydrochloride	Tablet	100 mg	10	PSM	n/a	\$4.00

Prices are ex-manufacturer, ex-GST.

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 February 2007 (or later where applicable). 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 Mike Bignall at PHARMAC by **5:00 pm, Friday 1 December 2006**. All comments submitted by this date will be considered.

Yours sincerely



Mike Bignall
Tender Analyst