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

### Consultation on provisional agreement with Pacific Pharmaceuticals Limited for the listing of various pharmaceuticals on the Pharmaceutical Schedule

Following a request for Alternative Commercial Proposals as part of the 2006/07 Tender consultation, PHARMAC and Pacific Pharmaceuticals 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 some of the pharmaceuticals in this provisional agreement are currently being supplied by Pacific Pharmaceuticals however some listings are for new brands to be listed on the Pharmaceutical Schedule. We are now seeking feedback on this proposal. Key aspects of the proposal are as follows:

#### ***New listings in Section B and Section H of the Pharmaceutical Schedule***

1. It is proposed that the following pharmaceuticals would be listed in Section B of the Pharmaceutical Schedule at the following prices:

| Pharmaceutical          | Form    | Strength | Pack Size | Brand    | Proposed Price and Subsidy | Date of new listing |
|-------------------------|---------|----------|-----------|----------|----------------------------|---------------------|
| Citalopram hydrobromide | Tablet  | 20 mg    | 28        | Celapram | \$3.50                     | 1 February 2007     |
| Omeprazole              | Capsule | 10 mg    | 30        | Omezol   | \$6.28                     | 1 June 2007         |
| Omeprazole              | Capsule | 20 mg    | 30        | Omezol   | \$6.28                     | 1 June 2007         |
| Omeprazole              | Capsule | 40 mg    | 30        | Omezol   | \$9.50                     | 1 June 2007         |
| Sumatriptan             | Tablet  | 50 mg    | 4         | Sumagran | \$12.00                    | 1 April 2007        |
| Sumatriptan             | Tablet  | 100 mg   | 2         | Sumagran | \$12.00                    | 1 April 2007        |

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

- The provisional agreement includes delisting protection for citalopram hydrobromide above until 31 December 2008.
- The provisional agreement includes restriction on reference pricing for omeprazole above until 30 June 2008.
- The provisional agreement includes a price and volume adjustment for a 5-7% price decrease should Omezol gain 25% market share for omeprazole.
- The provisional agreement includes delisting protection for sumatriptan above until 31 March 2010.

It is proposed that the above pharmaceuticals would be listed (or amended for citalopram hydrobromide) in Part II of Section H of the Pharmaceutical Schedule at the above prices and dates.

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

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

| Pharmaceutical          | Form    | Strength | Pack Size | Brand       | Current Subsidy | Current Price | Proposed Price and Subsidy |
|-------------------------|---------|----------|-----------|-------------|-----------------|---------------|----------------------------|
| Penicillamine           | Tablet  | 125 mg   | 100       | D-Penamaine | \$56.30         | \$61.93       | \$61.93                    |
| Penicillamine           | Tablet  | 250 mg   | 100       | D-Penamaine | \$89.98         | \$98.98       | \$98.98                    |
| Spironolactone          | Tablet  | 25 mg    | 100       | Spirotone   | \$8.50          | \$8.50        | \$8.50                     |
| Spironolactone          | Tablet  | 100 mg   | 100       | Spirotone   | \$21.70         | \$21.70       | \$21.70                    |
| Etidronate disodium     | Tablet  | 200 mg   | 100       | Etidrate    | \$38.00         | \$38.00       | \$34.20                    |
| Dothiepin hydrochloride | Capsule | 25 mg    | 100       | Dopress     | \$4.50          | \$4.50        | \$4.75                     |
| Dothiepin hydrochloride | Tablet  | 75 mg    | 100       | Dopress     | \$8.75          | \$8.75        | \$8.75                     |

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.

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

| Pharmaceutical                 | Form                         | Strength                                     | Pack Size | Brand             | Current Subsidy | Current Price | Proposed Price and Subsidy |
|--------------------------------|------------------------------|----------------------------------------------|-----------|-------------------|-----------------|---------------|----------------------------|
| Doxazosin mesylate             | Tablet                       | 2 mg                                         | 250       | Dosan             | \$13.23         | \$13.23       | \$14.20                    |
| Doxazosin mesylate             | Tablet                       | 4 mg                                         | 250       | Dosan             | \$17.05         | \$17.05       | \$17.70                    |
| Fluoxetine hydrochloride       | Tablet (dispersible, scored) | 20 mg                                        | 30        | Fluox             | \$5.90          | \$5.90        | \$5.90                     |
| Fluoxetine hydrochloride       | Capsule                      | 20 mg                                        | 90        | Fluox             | \$4.75          | \$4.75        | \$4.95                     |
| Buspirone hydrochloride        | Tablet                       | 5 mg                                         | 100       | Pacific Buspirone | \$7.00          | \$7.00        | \$28.00                    |
| Buspirone hydrochloride        | Tablet                       | 10 mg                                        | 100       | Pacific Buspirone | \$7.00          | \$7.00        | \$17.00                    |
| Celiprolol                     | Tablet                       | 200 mg                                       | 180       | Celol             | \$19.00         | \$19.00       | \$19.00                    |
| Felodipine                     | Tablet (long-acting)         | 5 mg                                         | 90        | Felo 5 ER         | \$16.50         | \$16.50       | \$16.50                    |
| Felodipine                     | Tablet (long-acting)         | 10 mg                                        | 90        | Felo 10 ER        | \$24.00         | \$24.00       | \$24.00                    |
| Hydrocortisone with miconazole | Cream                        | 1% hydrocortisone with 2% miconazole nitrate | 15 g OP   | Micreme H         | \$1.89          | \$1.89        | \$2.20                     |
| Prochlorperazine               | Tablet                       | 5 mg                                         | 500       | Antinaus          | \$16.85         | \$16.85       | \$16.85                    |
| Propranolol                    | Capsule (long-acting)        | 160 mg                                       | 100       | Cardinol LA       | \$15.50         | \$15.50       | \$16.90                    |
| Metoclopramide hydrochloride   | Tablet                       | 10 mg                                        | 100       | Metamide          | \$5.15          | \$5.15        | \$5.15                     |
| Metronidazole                  | Tablet                       | 200 mg                                       | 100       | Trichozole        | \$9.50          | \$9.50        | \$9.50                     |
| Metronidazole                  | Tablet                       | 400 mg                                       | 100       | Trichozole        | \$17.50         | \$17.50       | \$17.50                    |

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

- The provisional agreement includes subsidy protection for doxazosin mesylate and fluoxetine hydrochloride listed above until 31 December 2007.
- The provisional agreement includes subsidy protection for felodipine listed above until 30 June 2009.
- The provisional agreement includes subsidy protection for all other of the pharmaceuticals not already referred to as listed in the above table until 30 June 2010.

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

| Pharmaceutical         | Form   | Strength | Pack Size | Brand    | Current Subsidy | Current Price | Proposed Price and Subsidy |
|------------------------|--------|----------|-----------|----------|-----------------|---------------|----------------------------|
| Propranolol            | Tablet | 10 mg    | 100       | Cardinol | \$2.00          | \$2.00        | \$3.55                     |
| Propranolol            | Tablet | 40 mg    | 100       | Cardinol | \$2.60          | \$2.60        | \$4.65                     |
| Prazosin hydrochloride | Tablet | 0.5 mg   | 100       | Hyprosin | \$9.50          | \$9.50        | \$9.50                     |
| Prazosin hydrochloride | Tablet | 1 mg     | 100       | Hyprosin | \$2.99          | \$2.99        | \$2.99                     |
| Prazosin hydrochloride | Tablet | 2 mg     | 100       | Hyprosin | \$4.00          | \$4.00        | \$4.00                     |
| Prazosin hydrochloride | Tablet | 5 mg     | 100       | Hyprosin | \$6.50          | \$6.50        | \$6.50                     |
| Pindolol               | Tablet | 5 mg     | 100       | Pindol   | \$4.50          | \$4.50        | \$4.50                     |
| Pindolol               | Tablet | 10 mg    | 100       | Pindol   | \$8.35          | \$8.35        | \$8.35                     |
| Pindolol               | Tablet | 15 mg    | 100       | Pindol   | \$12.00         | \$12.00       | \$12.00                    |
| Famotidine             | Tablet | 20 mg    | 250       | Famox    | \$4.66          | \$4.66        | \$9.20                     |
| Famotidine             | Tablet | 40 mg    | 250       | Famox    | \$9.98          | \$9.98        | \$12.90                    |

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

- The provisional agreement includes stock guarantees for all of the pharmaceuticals listed above for various amounts of stock.

#### **Listings, Amendments and Maintaining of Listings in Section H of the Pharmaceutical Schedule**

5. It is proposed that from 1 February 2007 the following pharmaceuticals would be listed, amended, or maintained (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 |
|-------------------------|---------|----------|-----------|--------------|---------------|----------------|
| Penicillamine           | Tablet  | 125 mg   | 100       | D-Penamamine | n/a           | \$61.93        |
| Penicillamine           | Tablet  | 250 mg   | 100       | D-Penamamine | n/a           | \$98.98        |
| Spiro lactone           | Tablet  | 25 mg    | 100       | Spirotone    | \$8.50        | \$8.50         |
| Spiro lactone           | Tablet  | 100 mg   | 100       | Spirotone    | \$21.70       | \$21.70        |
| Etidronate disodium     | Tablet  | 200 mg   | 100       | Etidrate     | \$38.00       | \$34.20        |
| Dothiepin hydrochloride | Capsule | 25 mg    | 100       | Dopress      | n/a           | \$4.75         |
| Dothiepin hydrochloride | Tablet  | 75 mg    | 100       | Dopress      | n/a           | \$8.75         |

Prices are ex-manufacturer, ex-GST.

6. It is proposed that from 1 July 2007 the following pharmaceuticals would be listed, amended or maintained (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 |
|--------------------------------|---------------------------------|----------------------------------------------|-----------|------------------|---------------|----------------|
| Doxazosin mesylate             | Tablet                          | 2 mg                                         | 250       | Dosan            | n/a           | \$14.20        |
| Doxazosin mesylate             | Tablet                          | 4 mg                                         | 250       | Dosan            | n/a           | \$17.70        |
| Fluoxetine hydrochloride       | Tablet<br>(dispersible, scored) | 20 mg                                        | 30        | Fluox            | \$5.90        | \$5.90         |
| Fluoxetine hydrochloride       | Capsule                         | 20 mg                                        | 90        | Fluox            | \$4.75        | \$4.95         |
| Bupirone hydrochloride         | Tablet                          | 5 mg                                         | 100       | Pacific Bupirone | n/a           | \$28.00        |
| Bupirone hydrochloride         | Tablet                          | 10 mg                                        | 100       | Pacific Bupirone | n/a           | \$17.00        |
| Celiprolol                     | Tablet                          | 200 mg                                       | 180       | Celol            | n/a           | \$19.00        |
| Felodipine                     | Tablet<br>(long-acting)         | 5 mg                                         | 90        | Felo 5 ER        | n/a           | \$16.50        |
| Felodipine                     | Tablet<br>(long-acting)         | 10 mg                                        | 90        | Felo 10 ER       | n/a           | \$24.00        |
| Hydrocortisone with miconazole | Cream                           | 1% hydrocortisone with 2% miconazole nitrate | 15 g      | Micreme H        | n/a           | \$2.20         |
| Prochlorperazine               | Tablet                          | 5 mg                                         | 500       | Antinaus         | n/a           | \$16.85        |
| Propranolol                    | Capsule<br>(long-acting)        | 160 mg                                       | 100       | Cardinol LA      | n/a           | \$16.90        |
| Metoclopramide hydrochloride   | Tablet                          | 10 mg                                        | 100       | Metamide         | n/a           | \$5.15         |
| Metronidazole                  | Tablet                          | 200 mg                                       | 100       | Trichozole       | n/a           | \$9.50         |
| Metronidazole                  | Tablet                          | 400 mg                                       | 100       | Trichozole       | n/a           | \$17.50        |

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