

31 May 2007

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

Consultation on a provisional agreement with Rex Medical Limited for the listing of various pharmaceuticals on the Pharmaceutical Schedule

PHARMAC and Rex Medical Limited have entered into a provisional agreement to list various pharmaceuticals in Sections B and H of the Pharmaceutical Schedule from 1 October 2007 or as soon as is practicable following Medsafe registration where applicable. We are now seeking feedback on this proposal.

Key aspects of this proposal are as follows:

Registered Products

- From 1 October 2007 citalopram hydrobromide (Citalopram - Rex) and simvastatin (Simvarex) would be listed in Section B and in Part II of Section H of the Pharmaceutical Schedule at the following prices and subsidies (ex-manufacturer, excluding GST):

Pharmaceutical	Brand	Form	Strength	Pack Size	Price and subsidy
Citalopram hydrobromide	Citalopram – Rex	Tablet	20 mg	28	\$3.50
Simvastatin	Simvarex	Tablet	10 mg	30	\$2.31
Simvastatin	Simvarex	Tablet	20 mg	30	\$2.81
Simvastatin	Simvarex	Tablet	40 mg	30	\$4.98

- The provisional agreement includes delisting protection for Citalopram - Rex until 31 December 2008.
- The provisional agreement includes delisting and subsidy reduction protection for Simvarex until 31 December 2008.
- The provisional agreement includes the following price reductions for Simvarex after 3 months of listing:

Pharmaceutical	Brand	Strength	Pack Size	Price and subsidy from 1 January 2008
Simvastatin	Simvarex	10 mg	30	\$1.27
Simvastatin	Simvarex	20 mg	30	\$1.54
Simvastatin	Simvarex	40 mg	30	\$2.74

Unregistered Products

- Subject to registration the following pharmaceuticals would be listed in Section B and in Part II of Section H of the Pharmaceutical Schedule at the following prices and subsidies (ex-manufacturer, excluding GST):

Pharmaceutical	Brand	Form	Strength	Pack Size	Price and subsidy
Omeprazole	Omeprazole IV – Rex	Infusion	40 mg	1	\$10.00
Omeprazole	Omeprazole - Rex	Capsule	20 mg	30	\$6.28
Sumatriptan	Sumatriptan – Rex	Tablet	50 mg	4	\$12.00
Sumatriptan	Sumatriptan – Rex	Tablet	100 mg	2	\$12.00
Simvastatin	Simvarex	Tablet	80 mg	30	\$5.78
Ondansetron hydrochloride *	Ondansetron – Rex	Injection	4 mg per ml, 2 ml	5	\$18.00
Ondansetron hydrochloride *	Ondansetron – Rex	Injection	8 mg per ml, 4 ml	5	\$29.00

* *Ondansetron hydrochloride would only be listed in Part II of Section H of the Pharmaceutical Schedule.*

- The provisional agreement includes delisting protection for omeprazole (Omeprazole – Rex and Omeprazole IV – Rex) until 31 December 2008.
- The provisional agreement includes a price and volume adjustment for Omeprazole – Rex where the subsidy and price is reduced from \$6.28 per 30 capsules to \$5.95 per 30 capsules should Omeprazole – Rex gain an agreed volume of sales.
- The provisional agreement includes delisting protection for sumatriptan (Sumatriptan – Rex) until 31 March 2010.
- The provisional agreement includes delisting and subsidy reduction protection for Simvarex 80 mg until 31 December 2008.
- The provisional agreement includes a price reduction for Simvarex 80 mg after 3 months of listing from \$5.78 per 30 tablets to \$3.18 per 30 tablets.
- The provisional agreement includes delisting protection for ondansetron hydrochloride (Ondansetron – Rex) until 31 March 2009.

Please note that this provisional agreement would not alter the current listings on the Pharmaceutical Schedule.

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, 15 June 2007**. All comments submitted by this date will be considered.

Yours sincerely



Mike Bignall
Tender Analyst