

26 June 2007

TO ALL PHARMACEUTICAL SUPPLIERS  
AND INTERESTED PARTIES

**CONSULTATION ON PROPOSAL FOR LISTING INFLUENZA VACCINE, VAXIGRIP, ON  
THE PHARMACEUTICAL SCHEDULE**

The current contractual arrangement PHARMAC has with Merck Sharp and Dohme and Sanofi Pasteur for the listing of Vaxigrip on the Pharmaceutical Schedule is due to expire later this year. Therefore PHARMAC issued a Request for Proposals for the supply of influenza vaccine for the annual subsidised campaign from 2008.

Fluvax from CSL will remain on the Pharmaceutical Schedule for the subsidised seasons of 2008, 2009 and 2010. The current rules regarding the listing of influenza vaccine on the Pharmaceutical Schedule would remain unchanged.

PHARMAC has signed a provisional agreement with Sanofi Aventis and Sanofi Pasteur for Principal Supply Status of Vaxigrip. This agreement is subject to consultation and approval by the PHARMAC Board (or Acting Chief Executive under Delegated Authority).

Vaxigrip would be listed on the Pharmaceutical Schedule from 1 January 2008 and would be fully subsidised for the influenza vaccine seasons of 2008, 2009 and 2010. Vaxigrip would be supplied to fill all orders over and above the initial supply of Fluvax supplied each year.

As per the arrangements for the 2006 and 2007 seasons, Fluvax would be supplied for the first orders; Vaxigrip would be supplied to all subsequent orders. Both brands would be fully subsidised when administered to patients eligible for subsidised vaccination.

The price and subsidy of Fluvax and Vaxigrip would be \$90.00 (ex-manufacturer, exclusive of GST) per pack of 10 injections.

Vaxigrip would be subject to a rebate. All Vaxigrip doses subsidised each season (being the total number of doses subsidised through HealthPAC minus the supply of Fluvax) would be rebated. In addition, PHARMAC and Sanofi Aventis and Sanofi Pasteur have agreed an expenditure cap mechanism for each of the subsidised seasons of 2008, 2009 and 2010. Should the subsidised supply of Vaxigrip exceed these agreed levels Vaxigrip would be subject to an additional rebate for each dose subsidised above the level.

Sanofi Pasteur and Sanofi Aventis would undertake a Healthcare Workers Program with the aim of increasing uptake of vaccination of health care workers in DHB Hospitals. As part of this program, Vaxigrip would be sold and supplied to DHBs, their hospitals and associated provider units at a discounted price per pack of 10 vaccines. That is, when a DHB Hospital submits an order it would be invoiced the discounted price rather than the list price. In addition, a Healthcare Workers Vaccination Kit involving resources and support material promoting influenza vaccination to staff would be provided to DHBs, their hospitals and associated provider units. Sanofi Pasteur and Sanofi Aventis

would liaise with the National Influenza Strategy Group (NISG) and DHBs regarding content and the provision of this kit. This kit would not replace the Influenza Kit and promotion as managed by NISG regarding influenza vaccination to the eligible population.

PHARMAC estimates that this proposal offers savings to DHBs of \$910,000 (net present value) over the three seasons when considering the costs of providing influenza vaccine to patients eligible for subsidised vaccination.

The cold chain accredited distributor, HealthCare Logistics, would distribute Fluvax and Vaxigrip to doctors and vaccinators.

The following minimum order requirements may be imposed:

Period during which order from Doctor or Vaccinator received	Minimum order requirement
Prior to 31 March	50 Units
1 April – 31 May	30 Units
1 June – 30 June	10 Units

Toll free phone and facsimile numbers and an online facility would be in operation from 1 January of each year for doctors and vaccinators to place orders. Stock would arrive in the country in time for orders to commence delivery by the 1 March beginning of the subsidised season.

The phone, facsimile and online ordering facilities would remain in operation for at least two months following each season to allow for requests for returns of stock. Doctors and vaccinators could return un-used stock of Vaxigrip held by them after 30 June and be refunded the list price, pro rated, for up to 10 units of Vaxigrip.

Doctors and vaccinators would not pay for delivery of Fluvax or Vaxigrip. The only charge would be the pack price as listed above.

The current claiming method for patients eligible for subsidised influenza vaccination through HealthPAC would remain unchanged. Fluvax and Vaxigrip would be subsidised from 1 March to 30 June of each Influenza Season until 30 June 2010.

If an influenza pandemic occurs, as determined by the World Health Organization, Vaxigrip would not have Principal Supply Status. Sanofi Pasteur and Sanofi Aventis would comply with the Ministry of Health and WHO pandemic plans.

If you have any comments to make on the above proposal and you would like these comments to be considered by the PHARMAC Board, or Acting Chief Executive under delegated authority, then please send them to PHARMAC (email: [andrea.dick@pharmac.govt.nz](mailto:andrea.dick@pharmac.govt.nz) or facsimile: 04 460 4995) **by 5 pm Thursday 12 July 2007.**

Yours sincerely



Andrea Dick  
Procurement Initiatives Manager