

16 November 2007

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

Consultation on a provisional agreement with ABM Pharma Limited regarding the listing of various pharmaceuticals on the Pharmaceutical Schedule

The proposal

PHARMAC and ABM Pharma have entered into a provisional agreement to list the following pharmaceuticals on the Pharmaceutical Schedule:

- Hydroxocobalamin acetate
- Insulin pen needles
- Insulin syringes, disposable with attached needle
- Sunscreen
- Glycerol
- Salicylic acid
- Sodium bicarbonate
- Sulphur
- Propylene glycol
- Methyl hydroxybenzoate
- Methylcellulose

We are also proposing to amend the restrictions to the listing of sunscreen.

PHARMAC is now seeking feedback on this proposal.

Details of the proposal

Key aspects of the proposal are as follows:

- The following pharmaceuticals would be listed in Section B and in Part II of Section H of the Pharmaceutical Schedule from 1 March 2008 at the following prices and subsidies (ex-manufacturer, excluding GST):

Pharmaceutical	Form	Pack Size	Brand	Proposed Price and Subsidy
Sunscreen	Lotion	100 g OP	Marine Blue Lotion SPF 30+	\$2.55
Sunscreen	Lotion	200 g OP	Marine Blue Lotion SPF 30+	\$5.10
Glycerol	Liquid	2,000 mL	ABM	\$19.80
Salicylic acid	Powder	500 g	ABM	\$15.00
Sulphur	Precipitated	100 g	ABM	\$6.50
Propylene glycol	Liquid	500 g	ABM	\$12.00
Methyl hydroxybenzoate	Powder	25 g	ABM	\$10.00
Methylcellulose	Powder	100 g	ABM	\$14.00

- The following pharmaceuticals would be listed in Section B and in Part II of Section H of the Pharmaceutical Schedule from 1 May 2008 at the following prices and subsidies (ex-manufacturer, excluding GST):

Pharmaceutical	Form	Pack Size	Brand	Proposed Price and Subsidy
Insulin pen needles	29 g x 12.7 mm	100	ABM	\$11.75
Insulin pen needles	31 g x 6 mm	100	ABM	\$11.75
Insulin pen needles	31 g x 8 mm	100	ABM	\$11.75
Insulin syringes, disposable with attached needle	Syringe 0.3 mL with 29 g x 12.7 mm needle	100	ABM	\$14.45
Insulin syringes, disposable with attached needle	Syringe 0.3 mL with 31 g x 8 mm needle	100	ABM	\$14.45
Insulin syringes, disposable with attached needle	Syringe 0.5 mL with 29 g x 12.7 mm needle	100	ABM	\$14.45
Insulin syringes, disposable with attached needle	Syringe 0.5 mL with 31 g x 8 mm needle	100	ABM	\$14.45
Insulin syringes, disposable with attached needle	Syringe 1 mL with 29 g x 12.7 mm needle	100	ABM	\$14.45
Insulin syringes, disposable with attached needle	Syringe 1 mL with 31 g x 8 mm needle	100	ABM	\$14.45

- The following presentation of sodium bicarbonate powder would be listed in Section B of the Pharmaceutical Schedule from 1 March 2008 and in Part II of Section H of the Pharmaceutical Schedule from 1 July 2008 at the following price and subsidy (ex-manufacturer, excluding GST):

Pharmaceutical	Form	Pack Size	Brand	Proposed Price and Subsidy
Sodium bicarbonate	Powder, BP	500 g	ABM	\$9.80

- The following presentation of hydroxocobalamin acetate would be listed in Section B and in Part II of Section H of the Pharmaceutical Schedule from 1 June 2008 at the following price and subsidy (ex-manufacturer, excluding GST):

Pharmaceutical	Form	Strength	Pack Size	Brand	Proposed Price and Subsidy
Hydroxocobalamin acetate	Injection	1 mg per mL, 1 mL	3	Hydroxocobalamin ABM	\$9.21

- The following products would be referenced priced from 1 July 2008 by reducing their subsidies to the following levels (ex-manufacturer, excluding GST):

Pharmaceutical	Form	Pack Size	Brand	Current subsidy (price)	Proposed Subsidy
Sunscreen	Cream	100 g OP	Hamilton Sunscreen	\$3.39 (\$5.89)	\$2.55
Sunscreen	Cream	50 g OP	Aquasun Oil Free Faces SPF 30+	\$1.74 (\$5.53)	\$1.28
Sunscreen	Lotion	125 ml OP	Aquasun Sensitive SPF 30+	\$4.80 (\$8.82)	\$3.19
Sunscreen	Lotion	125 ml OP	Aquasun 30+	\$4.80 (\$9.38)	\$3.19
Glycerol	Liquid	2000 mL	MidWest	\$24.75	\$19.80
Salicylic acid	Powder	500 g	David Craig	\$29.52 (\$55.63)	\$15.00
Sodium bicarbonate	Powder, BP	500 g	Biomed	\$11.99	\$9.80
Sodium bicarbonate	Powder, BP	500 g	David Craig	\$11.99 (\$17.50)	\$9.80
Sulphur	Precipitated	100 g	PSM	\$7.92 (\$9.25)	\$6.50
Methyl hydroxybenzoate	Powder	25 g	PSM	\$15.62 (18.45)	\$10.00
Methylcellulose	Powder	100 g	MidWest	\$17.72	\$14.00

- Subsidy and delisting protection for the ABM products would be:
 - until 1 November 2008 for insulin pen needles and insulin syringes, disposable with attached needle;
 - until 1 February 2010 for hydroxocobalamin acetate; and
 - until 1 July 2010 for all other proposed products.
- Access to subsidised sunscreens would be restricted by the following endorsement criteria from 1 March 2008:

“Only if prescribed for a patient with severe photosensitivity secondary to a defined clinical condition.”
- PHARMAC would remove the “Retail pharmacy-Specialist” restriction from sunscreens.
- The listing of ABM Pharma’s brand of insulin pen needle 31 g x 6 mm would not be subject to an age restriction (as is the currently subsidised brand).

How do I make a submission?

We are inviting feedback from anyone interested in this proposal. You can make submissions in writing to the addresses that follow. We welcome feedback by email, fax or post. The deadline for submissions is **5pm, Friday, 30 November 2007**.

By email: mike.bignall@pharmac.govt.nz

By fax: +64 4 460 4995

By mail: Mike Bignall
PHARMAC
PO Box 10-254
Wellington

What will happen then?

All of the submissions we receive before the deadline will be taken into consideration before a recommendation is taken to PHARMAC's Board, or Acting Chief Executive under delegated authority. Submissions will also be provided to the decision maker when considering the recommendation. The PHARMAC Board, or Acting Chief Executive under delegated authority, will then make a decision on this proposal.

If a decision to accept this proposal is made, it is anticipated that the proposed changes would take effect from 1 March 2008 at the earliest.

Where can I find more information?

You can seek further information by calling Mike Bignall on +64 4 916 7562 or by e-mail mike.bignall@pharmac.govt.nz.

We look forward to receiving your feedback on this proposal.

Yours sincerely



Mike Bignall
Therapeutic Group Manager