

13 November 2008

Proposal for funding methylphenidate and clozapine

Proposal summary

PHARMAC is seeking feedback on a proposal to fund the Ritalin, Ritalin SR and Ritalin LA brands of the Attention Deficit/Hyperactivity Disorder (ADHD) treatment methylphenidate hydrochloride from 1 July 2009 and to fund the Clozaril brand of clozapine tablets in bottle packs of 100 from 1 April 2009.

This proposal is part of a provisional agreement with Novartis New Zealand Limited that also involves price reductions on Clozaril.

Ritalin and Ritalin SR would be listed under the same Special Authority criteria that apply to methylphenidate hydrochloride immediate-release and sustained-release preparations (Rubifen and Rubifen SR), and Ritalin LA would be listed under the same Special Authority criteria that apply to methylphenidate hydrochloride extended-release (Concerta).

If the proposal is approved, all patients with a valid approval for Ritalin SR Special Access funding at 1 July 2009 would be issued Special Authority approvals for methylphenidate hydrochloride (immediate-release and sustained-release) with the same expiry date, and no new Ritalin SR Special Access applications would be accepted.

From 1 July 2009 the subsidy for Rubifen immediate-release 10 mg tablets would be reduced to be the same as the subsidy for Ritalin immediate-release 10 mg tablets through the application of reference pricing. This would mean that a manufacturer's surcharge would apply to Rubifen immediate-release 10 mg tablets if the price was not reduced.

This proposal would mean that methylphenidate hydrochloride would not be included in the 2008/2009 Invitation to Tender.

Further details of the proposal can be found below and on the following pages.

Feedback sought

We welcome your feedback on this proposal. To provide feedback please submit an email, fax or letter by **4 pm, Thursday 27 November 2008** to:

Geraldine MacGibbon	Email: geraldine.macgibbon@pharmac.govt.nz
Therapeutic Group Manager	Fax: (04) 460 4995
PHARMAC	
PO Box 10-254	
Wellington 6143	

All feedback received before the closing date will be considered when a decision is made on this proposal by PHARMAC's Board (or Chief Executive under delegated authority).

The details of the proposal

Ritalin, Ritalin SR and Ritalin LA

- We have entered into a provisional agreement with Novartis New Zealand Limited to list methylphenidate hydrochloride (Ritalin, Ritalin SR and Ritalin LA) in Section B and in Part II of Section H of the Pharmaceutical Schedule from 1 July 2009 at the following prices and subsidies (ex-manufacturer, excluding GST):

Pharmaceutical	Brand	Form and Strength	Pack Size	Proposed price and subsidy
Methylphenidate hydrochloride	Ritalin	Tablet immediate-release 10 mg	30	\$3.00
Methylphenidate hydrochloride	Ritalin SR	Tablet sustained-release 20 mg	100	\$50.00
Methylphenidate hydrochloride	Ritalin LA	Capsule modified-release 10 mg	30	\$19.50
Methylphenidate hydrochloride	Ritalin LA	Capsule modified-release 20 mg	30	\$25.50
Methylphenidate hydrochloride	Ritalin LA	Capsule modified-release 30 mg	30	\$31.90
Methylphenidate hydrochloride	Ritalin LA	Capsule modified-release 40 mg	30	\$38.25

- Ritalin LA community subsidies and hospital dispensings would be subject to a confidential rebate, reducing the net subsidy and price of this product.
- The listing of Ritalin LA modified-release 10 mg capsule would be subject to Medsafe approval.
- Ritalin and Ritalin SR would be listed under the same Special Authority criteria that apply to methylphenidate hydrochloride immediate-release and sustained-release preparations (Rubifen and Rubifen SR). The relevant Special Authority number is SA0898; full details of this Special Authority can be found on our website www.pharmac.govt.nz.
- Ritalin LA would be listed under the same Special Authority criteria that apply to methylphenidate hydrochloride extended-release (Concerta). The relevant Special Authority number is SA0924; full details of this Special Authority can be found on our website www.pharmac.govt.nz.
- Ritalin, Ritalin SR and Ritalin LA would have protection from subsidy reduction and delisting until 1 July 2012.

- All patients with a valid approval for Ritalin SR Special Access funding at 1 July 2009 would be issued Special Authority approvals for methylphenidate hydrochloride (immediate-release and sustained-release) with the same expiry date, and no new Ritalin SR Special Access applications would be accepted.

Rubifen

- From 1 July 2009 the subsidy for Rubifen tablets immediate-release 10 mg in Section B of the Pharmaceutical Schedule would be reduced from \$4.29 to \$3.00 per pack of 30 tablets (ex-manufacturer, excluding GST) through the application of reference pricing.
- If the price of Rubifen tablets immediate-release 10 mg stays the same as it is now this would mean that a manufacturer's surcharge of \$1.29 per pack of 30 would apply (which would equate to a charge to patients of approximately \$2.40 per pack of 30, including GST and markups).

Clozapine

- Under the same provisional agreement with Novartis New Zealand Limited, the price and subsidy for clozapine (Clozaril) would reduce as follows (ex-manufacturer, excluding GST):

Pharmaceutical	Brand	Form and Strength	Pack Size	Current subsidy	Proposed price & subsidy
Clozapine	Clozaril	Tablet 25 mg	50	\$17.60	\$13.37
Clozapine	Clozaril	Tablet 100 mg	50	\$45.60	\$34.65

- For subsidies paid between 1 November 2008 and 31 January 2009 the new price would take effect by way of a rebate, and from 1 February 2009 the new price and subsidy would be changed in Section B and in Part II of Section H of the Pharmaceutical Schedule.
- In addition, clozapine (Clozaril) would be listed in Section B and in Part II of Section H of the Pharmaceutical Schedule in bottle packs of 100 from 1 April 2009 at double the proposed price and subsidy for the 50-tablet blister packs, above.
- Clozaril would have protection from subsidy reduction and delisting until 1 July 2012.