

27 February 2009

## Multi-product proposal including the listing of new brands of cilazapril and propofol and funding for danthron with poloxamer

PHARMAC and AFT Pharmaceuticals Ltd have entered into a provisional agreement relating to the supply of arsenic trioxide (AFT), benztropine mesylate (Benztrop), charcoal (Carbosorb-X), erythromycin lactobionate (Erythrocin IV), ferrous fumarate (Ferro-tab), ferrous fumarate with folic acid (Ferro-F-tab), methadone hydrochloride (AFT), procarbazine hydrochloride (Natulan), cilazapril (AFT), propofol (Provive 1%) and danthron with poloxamer (Pinorax and Pinorax Forte).

In summary, the proposal would result in:

- the listing of additional brands of cilazapril (subject to regulatory approval by Medsafe) and propofol on the Pharmaceutical Schedule;
- funding for danthron with poloxamer (subject to regulatory approval by Medsafe);
- a volume related price adjustment for the Provive 1% brand of propofol that would result in a 20% price reduction should Provive 1% obtain approximately 30% market share;
- an increase in the subsidy and price (where applicable) for arsenic trioxide, Benztrop, Carbosorb-X, Erythrocin IV, Ferro-tab, Ferro-F-tab, methadone hydrochloride and Natulan from 1 July 2009;
- delisting protection for AFT's brand of cilazapril until 30 June 2010.

### Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Friday 13 March 2009** to:

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

## Details of the proposal

- The prices and subsidies of the following pharmaceuticals listed in Section B and in Part II of Section H of the Pharmaceutical Schedule would be amended as follows from 1 July 2009 (ex manufacturer and ex GST):

Chemical	Presentation	Brand	Pack size	Current price and subsidy	Proposed price and subsidy
Benztropine mesylate	Tab 2 mg	Benztrop	60	\$7.25	\$7.99
Charcoal	Oral liq 50 g in 250 ml	Carbosorb-X	1	\$37.75	\$43.50
Erythromycin lactobionate	Inj 1 mg	Erythrocin IV	1	\$6.50	\$10.93
Ferrous fumarate	Tab 200 mg	Ferro-tab	100	\$3.75	\$4.35
Ferrous fumarate with folic acid	Tab 310 mg ferrous fumarate with folic acid 350 µg	Ferro-F-tab	60	\$3.95	\$4.75
Methadone hydrochloride	Inj 10 mg per ml, 1 ml	AFT	10	\$52.00	\$61.00

- The prices of the following pharmaceuticals listed in Part II of Section H of the Pharmaceutical Schedule would be amended as follows from 1 July 2009 (ex manufacturer and ex GST):

Chemical	Presentation	Brand	Pack size	Current price	Proposed price
Arsenic trioxide	Inj 10 mg	AFT	10	\$2,475.55	\$4,817.00
Procarbazine hydrochloride	Cap 50 mg	Natulan	50	\$133.00	\$225.00
Propofol	Emulsion for injection 10 mg per ml, 20 ml	Provive 1%	5	\$17.02	\$13.62
Propofol	Emulsion for injection 10 mg per ml, 50 ml	Provive 1%	1	\$9.26	\$7.41
Propofol	Emulsion for injection 10 mg per ml, 100 ml	Provive 1%	1	\$15.46	\$12.37

- The following price volume adjustment would apply to Provive 1% based on it obtaining 30% market share (at the proposed new and lower prices):

<b>Chemical</b>	<b>Presentation</b>	<b>Brand</b>	<b>Pack size</b>	<b>Price volume adjusted price</b>
Propofol	Emulsion for injection 10 mg per ml, 20 ml	Provive 1%	5	\$10.21
Propofol	Emulsion for injection 10 mg per ml, 50 ml	Provive 1%	1	\$5.56
Propofol	Emulsion for injection 10 mg per ml, 100 ml	Provive 1%	1	\$9.28

- 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 and ex GST) as soon as practical following all necessary consents being held:

<b>Chemical</b>	<b>Presentation</b>	<b>Brand</b>	<b>Pack size</b>	<b>Proposed price and subsidy</b>
Cilazapril	Tab 0.5 mg	AFT	100	\$6.42
Cilazapril	Tab 2.5 mg	AFT	100	\$13.17
Cilazapril	Tab 5 mg	AFT	100	\$19.86
Danthron with poloxamer	Oral liq 25 mg danthron with poloxamer 200 mg per 5 ml	Pinorax	300 ml	\$9.50
Danthron with poloxamer	Oral liq 75 mg danthron with poloxamer 1 g per 5 ml	Pinorax Forte	300 ml	\$13.95

- AFT's cilazapril would have delisting protection until 30 June 2010.