

26 March 2009

Clarification of consultation on proposal for sole supply arrangement for gabapentin

It has been brought to our attention that information in the attached consultation letter dated 10 March 2009 relating to a sole supply proposal for gabapentin about the advice given to PHARMAC by the Neurological Subcommittee of the Pharmacology and Therapeutics Advisory Committee could have been misinterpreted. The purpose of this letter is to provide clarification about the advice from the Neurological Subcommittee.

The Neurological Subcommittee was not asked for advice on a proposal for sole supply of gabapentin. In April 2007 the Subcommittee was asked to comment on a proposal to reduce the Neurontin subsidy to the level of the Nupentin subsidy for patients taking gabapentin for neuropathic pain (reference pricing), including the possibility that a part-charge would apply to Neurontin. The Neurological Subcommittee considered that there were no significant clinical issues associated with the proposal to reference price gabapentin for neuropathic pain.

PHARMAC considers the Neurological Subcommittee's advice to be relevant to the current proposal because the proposal for sole supply would result in some patients having to switch brands to receive fully subsidised gabapentin. This could have also been the case under the proposal considered by the Neurological Subcommittee (described above).

Feedback sought

In light of the above clarification, PHARMAC has determined that the time period for consultation should be extended. If you have any comments in relation to the attached proposal you are welcome to provide them by email, fax, letter or telephone by **4 pm, Monday 6 April 2009** to:

Geraldine MacGibbon
Therapeutic Group Manager
PHARMAC
PO Box 10-254
Wellington 6143

Email: geraldine.macgibbon@pharmac.govt.nz
Tel: 0800-66-00-50 (9 am to 5 pm weekdays)
Fax: (04) 460 4995

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).

10 March 2009

Proposal for sole supply arrangement for gabapentin

Proposal summary

PHARMAC is seeking feedback on a proposal for Nupentin to become the sole subsidised brand of gabapentin, a treatment for epilepsy and for neuropathic pain, from 1 August 2009, through an agreement with Pacific Pharmaceuticals Limited.

This proposal arose from a request for proposals (RFP) for the supply of gabapentin issued in December 2008 and is in line with recommendations from the Neurological Subcommittee of the Pharmacology and Therapeutics Advisory Committee (PTAC).

Key aspects of this proposal are as follows:

- From 1 August 2009 until 31 July 2012, Nupentin would be the only subsidised brand of gabapentin for all patients with neuropathic pain, and would be the only subsidised brand of gabapentin for patients with epilepsy applying for a Special Authority after 31 July 2009 (“new patients”).
- All patients with an existing approval for gabapentin for epilepsy at 31 July 2009 who are taking the Neurontin brand of gabapentin would be issued an approval for Neurontin, and Neurontin would continue to be subsidised for those patients only.
- No new patients would be granted Special Authority approvals for Neurontin for any indication after 1 August 2009.
- Nupentin would continue to be subject to the same Special Authority criteria that currently apply to it (and to the other currently funded brand, Neurontin).
- Nupentin would have Hospital Supply Status from 1 August 2009 to 31 July 2012.
- The price of Nupentin would reduce from 1 August 2009.

Further details of the proposal can be found 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, Tuesday 24 March 2009** to:

Geraldine MacGibbon
Therapeutic Group Manager
PHARMAC
PO Box 10-254
Wellington 6143

Email: geraldine.macgibbon@pharmac.govt.nz
Fax: (04) 460 4995

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).

Further details of the Proposal

We have entered into a provisional agreement with Pacific Pharmaceuticals Limited to reduce the price and subsidy (as applicable) of gabapentin in Section B and in Part II of Section H of the Pharmaceutical Schedule from 1 August 2009 as follows (ex-manufacturer, excluding GST):

Pharmaceutical	Brand	Form and Strength	Pack Size	Current price and subsidy	Proposed price and subsidy
Gabapentin	Nupentin	Capsule 100 mg	100	\$13.26	\$7.16
Gabapentin	Nupentin	Capsule 300 mg	100	\$39.76	\$11.50
Gabapentin	Nupentin	Capsule 400 mg	100	\$53.01	\$14.75

In addition to the changes outlined on the first page of this consultation letter, the proposal would mean that the 600 mg tablet strength of gabapentin (Neurontin brand only) would not be funded from 1 August 2009, with the exception of the patients with valid Special Authority approvals for epilepsy at 31 July 2009. The usage of this strength is comparatively low (approximately 1% of the total number of subsidised capsules and tablets).

Background to the proposal

We issued an RFP in which suppliers were asked to compete for the supply of gabapentin. Suppliers were able to submit proposals that included a period of sole subsidised supply.

The proposal from Pacific Pharmaceuticals has resulted in a provisional agreement for the supply of gabapentin, as outlined above and on the previous page.

The Neurological Subcommittee of the Pharmacology and Therapeutics Advisory Committee has previously advised that there would be no significant clinical issues associated with a proposal that would result in Nupentin being the only fully funded brand of gabapentin for neuropathic pain and for new patients with epilepsy.