

9 September 2009

## Approval of Multiple Diabetes Management Products

PHARMAC is pleased to announce the approval of 3 agreements in relation to funding of blood glucose diagnostic test meters and blood glucose diagnostic test strips (with and without lancets).

These changes were consulted on in letters dated 31 July 2009 and 19 August 2009.

### Summary of the decisions

- From 1 October, a subsidy and price reduction for the Accu-Chek Performa brand of blood glucose diagnostic test strips (as supplied by Roche Diagnostics);
- From 1 October, the funding of lancets in combination with the supply of the CareSens brand of blood glucose diagnostic test strips (as supplied by Pharmaco); and
- From 1 November, the listing of the On Call Advanced brand of blood glucose diagnostic test meters and blood glucose diagnostic test strips and lancets (as supplied by Diabetes Supplies).

If you have any queries about this funding decision you can call our toll free number (9 am to 5 pm, Monday to Friday) on 0800 66 00 50.

### Details of the decision

#### *In relation to blood glucose diagnostic test strips*

- The following blood glucose test strips will be listed or amended (where applicable) in Section B and Section H of the Pharmaceutical Schedule from the following dates and at the following prices and subsidies (ex-manufacturer, excluding GST):

Chemical	Form and Strength	Brand (Supplier)	Pack size	Subsidy and price	Listing Date
Blood glucose diagnostic test strip	Blood glucose test strips	Accu-Chek Performa (Roche Diagnostics)	50 OP	\$21.65	1 October 2009
Blood glucose diagnostic test strip	Blood glucose test strips x 50 and lancets x 5	CareSens II (Pharmaco)	1 OP	\$19.60	1 October 2009
Blood glucose diagnostic test strip	Blood glucose test strips x 50 and lancets x 5	On Call Advanced (Diabetes Supplies)	1 OP	\$19.10	1 November 2009

- A confidential rebate will apply to all Accu-Chek Performa blood glucose diagnostic test strips subsidised in the community however this will not apply to any hospital purchases.

*In relation to blood glucose diagnostic test meters*

- The following blood glucose diagnostic test meters will be listed in Section B and Section H of the Pharmaceutical Schedule from the following dates and at the following prices and subsidies (ex-manufacturer, excluding GST):

Chemical	Form and Strength	Brand (Supplier)	Pack size	Subsidy and price	Listing Date
Blood glucose diagnostic test meter	Meter	CareSens II (Pharmaco)	1	\$9.00	1 October 2009
Blood glucose diagnostic test meter	Meter	On Call Advanced (Diabetes Supplies)	1	\$9.00	1 November 2009

- The Accu-Chek Performa brand of blood glucose diagnostic test meters will remain listed in Section B and will also be listed in Section H at a price and subsidy of \$19.00 per meter. A confidential rebate will apply to all blood glucose diagnostic test meters subsidised in the community however this will not apply to any hospital purchases.

**What feedback was received?**

We appreciate the feedback we received and acknowledge the time people took to respond. A variety of consultation responses were received in relation to the proposals and all responses were considered in the decisions on the proposed changes. Some common concerns were raised with specific aspects of the proposal and we have outlined those we are able to publicise below, along with our response:

Theme	Response
Support was provided for funding of lancets although some concern was raised that these would only be available in combination with certain brands of blood glucose test strips.	As noted in our notification in June on the approval of other diabetes management product proposals, we have considered a number of funding options for lancets and considered that this option was the most acceptable method for funding from within PHARMAC's fixed budget. We are hopeful that other suppliers will consider supplying lancets in a similar manner and are open to considering alternative funding proposals.
PHARMAC should fund lancet devices.	We do not consider that funding a lancing device is necessary as these are supplied free of charge with test meter starter kits.

Theme	Response
<p>Additional meters would dilute the training and resources for people with diabetes.</p>	<p>We acknowledge these concerns. However, we note that the savings from these proposals have allowed investment in funding of new diabetes products (e.g. ketone testing and lancets) and allow us to control expenditure within such a large area.</p> <p>We are not proposing to delist the currently funded brands and healthcare professionals can continue to decide to use the current brands only. We note that some respondents were positive towards a greater choice of meters.</p>
<p>Concerns were expressed about Diabetes Supplies (a subsidiary of Diabetes New Zealand) becoming a supplier of diabetes management products.</p>	<p>We note that other patient advocacy groups have set up independent subsidiaries to create a revenue source (e.g. Airflow and the Asthma and Respiratory Foundation of New Zealand) and that, ultimately, this is a decision for Diabetes New Zealand to make and not PHARMAC. In any event, Diabetes Supplies has advised that it is in discussions with another supplier with a view to it taking over the agreement for supply and Diabetes Supplies remaining only as a distributor of products for all suppliers. PHARMAC has indicated its agreement in principle to a change of supplier, and if this proceeds an announcement will be made to the market, by the new supplier, once confirmed.</p>

The Christchurch Diabetes Centre has undertaken a meter evaluation for the On Call Advanced brand of blood glucose test strips and blood glucose diagnostic test meters. The independent study evaluated the accuracy and precision of the meter and showed good performance under controlled conditions. The performance of the On Call Advanced brand appears similar to that of the two meters currently on the New Zealand market (namely the Accu-Chek Performa and Optium Xceed). We are working with the pharmaceutical suppliers on releasing the results from all meter evaluations in the near future.

In addition, a request was made to provide a resource listing the available meters and test strips and a summary of their product specifications. We intend to produce such a resource shortly and will then make this available.