

23 October 2009

Funding proposal for solifenacin (Vesicare), mesalazine (Asamax) and hydrocortisone preparations

PHARMAC is seeking feedback on a proposal to fund solifenacin (Vesicare) and mesalazine (Asamax), through a provisional agreement with CSL Biotherapies.

The provisional agreement also includes price and subsidy reductions for various funded hydrocortisone preparations.

All proposed changes would occur from 1 January 2010.

In summary, it is proposed that:

- solifenacin (Vesicare) would be fully funded, subject to Special Authority restrictions, as a second-line treatment for patients with overactive bladder;
- the Asamax brand of mesalazine 500 mg long-acting tablet would be fully funded without restrictions;
- the price and subsidy would be reduced for hydrocortisone butyrate products (Locoid Lipocream, Locoid ointment, Locoid scalp lotion and Locoid Crelo);
- the price and subsidy would be reduced for hydrocortisone with natamycin and neomycin (Pimafucort); and
- the above products would have various periods of subsidy and/or delisting protection.

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

Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by 4pm on **Tuesday, 10 November 2009** to:

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PHARMAC

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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

Solifenacin

Solifenacin (Vesicare) would be listed in Section B and Section H of the Pharmaceutical Schedule at the following prices and subsidies (ex-manufacturer, excluding GST) from 1 January 2010:

Chemical	Formulation	Brand	Pack size	Price and subsidy
Solifenacin	Tab 5 mg	Vesicare	30	\$56.50
Solifenacin	Tab 10 mg	Vesicare	30	\$56.50

Solifenacin would be subject to the following Special Authority restrictions:

Special Authority for Subsidy

Initial application from any relevant practitioner. Applications valid without further renewal unless notified where the patient has overactive bladder and a documented intolerance of oxybutynin.

Vesicare would be subject to a confidential rebate arrangement and would have protection from delisting and subsidy reduction until 1 January 2013.

Mesalazine

A new brand of mesalazine (Asamax) would be listed in Section B and Section H of the Pharmaceutical Schedule at the following price and subsidy (ex-manufacturer, excluding GST) from 1 January 2010:

Chemical	Formulation	Brand	Pack size	Price and subsidy
Mesalazine	Tab long-acting 500 mg	Asamax	100	\$49.50

Asamax would have protection from delisting until 1 July 2012.

Hydrocortisone butyrate

The prices and subsidies (ex-manufacturer, excluding GST) for hydrocortisone butyrate would be reduced in Section B and Section H of the Pharmaceutical Schedule from 1 January 2010 as follows:

Chemical	Formulation	Brand	Pack size	Current Price and subsidy	Proposed Price and subsidy
Hydrocortisone butyrate	Lipocream 0.1%	Locoid Lipocream	30 g OP	\$5.00	\$2.30
Hydrocortisone butyrate	Lipocream 0.1%	Locoid Lipocream	100 g OP	\$15.00	\$6.85

Chemical	Formulation	Brand	Pack size	Current Price and subsidy	Proposed Price and subsidy
Hydrocortisone butyrate	Ointment 0.1%	Locoid	100 g OP	\$15.00	\$6.85
Hydrocortisone butyrate	Milky emulsion 0.1%	Locoid Crelo	100 ml OP	\$15.00	\$6.85
Hydrocortisone butyrate	Scalp lotion 0.1%	Locoid	100 ml OP	\$7.52	\$3.65

The above Locoid products would have protection from delisting and subsidy reduction until 1 July 2013.

Hydrocortisone with natamycin and neomycin

The prices and subsidies (ex-manufacturer, excluding GST) for hydrocortisone with natamycin and neomycin would be reduced in Section B and Section H of the Pharmaceutical Schedule from 1 January 2010 as follows:

Chemical	Formulation	Brand	Pack size	Current price and subsidy	Proposed price and subsidy
Hydrocortisone with natamycin and neomycin	Crn, hydrocortisone 1% with natamycin 1% and neomycin sulphate 0.5%	Pimafucort	15 g OP	\$4.40	\$2.79
Hydrocortisone with natamycin and neomycin	Oint, hydrocortisone 1% with natamycin 1% and neomycin sulphate 0.5%	Pimafucort	15 g OP	\$4.40	\$2.79

Pimafucort would have protection from delisting and subsidy reduction until 1 July 2013.

Background

PHARMAC proposed listing solifenacin and the Asamax brand of mesalazine as a bundle proposal in November 2008. The PHARMAC Board subsequently decided not to approve this proposal. We have now reached a new provisional agreement involving these and other products.

In relation to solifenacin

The Pharmacology and Therapeutics Advisory Committee (PTAC) recommended funding solifenacin for patients with a documented intolerance of oxybutynin, noting that there are no alternative agents listed in the Pharmaceutical Schedule for these patients.

In relation to mesalazine

As noted earlier in this letter, PHARMAC previously proposed the listing of mesalazine (Asamax) in November 2008. Feedback on that proposal was supportive of funding Asamax as a useful addition to the funded mesalazine preparation range.

During consultation on the earlier proposal, PHARMAC received responses regarding the possibility of reducing the subsidy of the currently subsidised Pentasa brand of mesalazine to that of Asamax via the application of reference pricing. Responders considered that this should not occur because Asamax and Pentasa have differing release characteristics and do not affect the same area of the gastro-intestinal tract.

The current proposal does not involve reference pricing mesalazine preparations.