

29 October 2009

Funding proposal for clindamycin (Dalacin C), sulphasalazine (Salazopyrin), cabergoline (Dostinex) and medroxyprogesterone

PHARMAC is seeking feedback on a proposal to amend the prices and subsidies for clindamycin (Dalacin C), cabergoline (Dostinex), sulphasalazine (Salazopyrin and Salazopyrin EN) and various medroxyprogesterone preparations through a provisional agreement with Pfizer New Zealand Limited.

The proposed changes would occur from 1 January 2010, except for sulphasalazine which would occur from 1 March 2010.

In summary, it is proposed that:

- the prices and subsidies would be reduced for clindamycin injections (Dalacin C) and cabergoline tablets (Dostinex);
- the prices and subsidies would be increased for sulphasalazine tablets (Salazopyrin and Salazopyrin EN). Sulphasalazine tablets would also be listed in Section H of the Pharmaceutical Schedule;
- the prices and subsidies would be amended for various medroxyprogesterone acetate preparations (Provera and Depo-Provera). Medroxyprogesterone acetate (Depo-Provera) would also be listed in Section H of the Pharmaceutical Schedule; and
- the above brands would have various periods of subsidy and/or delisting protection and/or be awarded Hospital Supply Status.

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 **Thursday, 12 November 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

Clindamycin Injection

- The price and subsidy (ex-manufacturer, excluding GST) for clindamycin injection (Dalacin C) would be reduced in Section B and in 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
Clindamycin	Inj phosphate 150 mg per ml, 4 ml	Dalacin C	1	\$19.45	\$16.00

- Dalacin C would have Hospital Supply Status and protection from delisting and subsidy reduction until 1 July 2013.

Cabergoline

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

Chemical	Formulation	Brand	Pack size	Current price and subsidy	Proposed Price and subsidy
Cabergoline	Tab 0.5 mg	Dostinex	2	\$26.26	\$16.50
Cabergoline	Tab 0.5 mg	Dostinex	8	\$105.03	\$66.00

- Dostinex would have protection from delisting and subsidy reduction until 1 July 2012.

Sulphasalazine

- The prices and subsidies (ex-manufacturer, excluding GST) for sulphasalazine tablets (Salazopyrin and Salazopyrin EN) would be increased in Section B of the Pharmaceutical Schedule from 1 March 2010 as follows:

Chemical	Formulation	Brand	Pack size	Current price and subsidy	Proposed Price and subsidy
Sulphasalazine	Tab 500 mg	Salazopyrin	100	\$8.42	\$11.68
Sulphasalazine	Tab 500 mg enteric coated	Salazopyrin EN	100	\$9.44	\$12.89

- Salazopyrin and Salazopyrin EN would be listed in Section H of the Pharmaceutical Schedule from 1 March 2010 at the above proposed prices.
- Salazopyrin and Salazopyrin EN would have protection from delisting and subsidy reduction until 1 July 2013.

Medroxyprogesterone acetate

- The price and subsidy (ex-manufacturer, excluding GST) for medroxyprogesterone acetate (Depo-Provera) would be reduced in Section B of the Pharmaceutical Schedule from 1 January 2010 as follows:

Chemical	Formulation	Brand	Pack size	Current price and subsidy	Proposed Price and subsidy
Medroxyprogesterone acetate	Inj 150 mg per ml, 1 ml	Depo-Provera	1	\$8.05	\$7.15

- Medroxyprogesterone acetate injection (Depo-Provera) would be listed in Section H of the Pharmaceutical Schedule from 1 January 2010 at the above proposed prices.
- The prices and subsidies (ex-manufacturer, excluding GST) for medroxyprogesterone acetate (Provera) would be amended in Section B and in 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
Medroxyprogesterone acetate	Tab 2.5 mg	Provera	30	\$2.07	\$3.09
Medroxyprogesterone acetate	Tab 5 mg	Provera	100	\$13.75	\$13.06
Medroxyprogesterone acetate	Tab 10 mg	Provera	30	\$7.57	\$6.85
Medroxyprogesterone acetate	Tab 100 mg	Provera	100	\$104.26	\$96.50
Medroxyprogesterone acetate	Tab 200 mg	Provera	30	\$78.06	\$70.50

- Provera and Depo-Provera would each have Hospital Supply Status and protection from delisting and subsidy reduction until 1 July 2013.

Background

This proposal is the result of Pfizer New Zealand Limited submitting to PHARMAC an commercial proposal as an alternative to tendering. A request for alternative commercial proposals was made to all pharmaceutical suppliers on 21 August 2009 as part of the consultation on the proposed 2009/10 Multi-product Tender. Medroxyprogesterone acetate and clindamycin injections were proposed for inclusion in the 2009/10 Multi-product Tender; if this proposal is approved they will not be included.