

4 December 2009

## Proposal for cyclosporin, octreotide LAR and zoledronic acid approved

PHARMAC is pleased to announce that the approval of an agreement with Novartis New Zealand Limited for the supply of Neoral (cyclosporin 25 mg, 50 mg and 100 mg capsules and 100 mg per mL oral liquid), Sandostatin LAR (octreotide LAR 10 mg, 20 mg and 30 mg prefilled syringes) and Zometa (zoledronic acid solution for infusion 4 mg per 5 mL).

This was the subject of a consultation letter dated 29 October 2009.

This decision will result in:

- a reduction in the listed price and subsidy of Neoral;
- a further effective price reduction of up to 35% on Neoral, through a rebate arrangement;
- a reduction in the effective prices of Sandostatin LAR and Zometa through rebate arrangements; and
- subsidy and delisting protection being provided to the above products.

This agreement arose as a result of our Alternative Commercial Proposal process, in which we invite alternatives to tendering.

### Details of the decision

#### *Neoral (cyclosporin)*

- From 1 January 2010 the prices and subsidies for Neoral in Section B and Part II of Section H of the Pharmaceutical Schedule will be reduced as follows:

Chemical	Presentation	Pack size	Current price and subsidy	New price and subsidy
Cyclosporin	25 mg capsule	50	\$85.00	\$59.50
Cyclosporin	50 mg capsule	50	\$169.34	\$118.54
Cyclosporin	100 mg capsule	50	\$338.69	\$237.08
Cyclosporin	100 mg per mL oral liquid	50 mL OP	\$377.38	\$264.17

- from 1 January 2010 the current rebate applying to all Neoral community subsidies and hospital dispensings will be amended such that the effective price will be reduced by up to 35% off the list price; and
- Neoral will have protection from subsidy reduction and delisting until 30 June 2012.

#### *Sandostatin LAR (octreotide LAR)*

- The prices and subsidies for Sandostatin LAR, as currently listed in Section B and Part II of Section H of the Pharmaceutical Schedule, will remain unchanged;
- From 1 January 2010 the current confidential rebate applying to all Sandostatin LAR expenditure in the community and DHB hospital markets will be increased; and
- Sandostatin LAR will have protection from subsidy reduction and delisting until 31 December 2011.

#### *Zometa (zoledronic acid)*

- The price for Zometa in Part II of Section H of the Pharmaceutical Schedule will remain unchanged;
- From 1 January 2010 the current confidential rebate applying to all Zometa expenditure in the DHB hospital markets will be increased; and
- Zometa will have protection from delisting until 30 June 2012.

#### **Feedback received**

We appreciate all of the feedback that we received and acknowledge the time people took to respond. All consultation responses received by 12 November 2009 were considered in their entirety in making a decision on the proposed changes. All responses were supportive of the proposal and no issues with the proposal were raised.

#### **More information**

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