

10 December 2009

## Consultation on a proposal to reference price certain glaucoma treatments

Following the listing of the Hysite brand of latanoprost (as a result of the 2008/09 Multi-product annual tender), PHARMAC now proposes to apply reference pricing to the other subsidised prostaglandin analogues (bimatoprost and travoprost) listed in the Pharmaceutical Schedule for the treatment of glaucoma, from 1 March 2010.

In summary, this proposal would result in:

- The subsidy for bimatoprost (Lumigan) and travoprost (Travatan) being reduced from \$19.50 to \$9.75 per bottle from 1 March 2010;
- Patients having to pay a manufacturers surcharge of approximately \$18.14 per bottle if the suppliers of bimatoprost and travoprost do not reduce their prices to match the proposed subsidy. We note that if this occurred, patients could choose to pay the manufacturer's surcharge or, if their clinician agreed, switch to the fully funded latanoprost.

This proposal, if implemented, would save the pharmaceutical budget approximately \$4 million (NPV) over the next five years, savings that could be used to fund other medicines or areas of health need.

### Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Friday, 15 January 2010** 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.

Further details of the proposal are set out on the following page.

## Details of the proposal

From 1 March 2010, PHARMAC proposes to apply reference pricing to the prostaglandin analogue therapeutic subgroup. This would reduce the subsidy of bimatoprost and travoprost to the subsidy level for latanoprost (Hysite) as follows:

Chemical	Presentation	Brand	Pack size	Current Price and Subsidy	Proposed Subsidy
Bimatoprost	Eye drops 0.03%	Lumigan	3 ml OP	\$19.50	\$9.75
Travoprost	Eye drops 0.004%	Travatan	2.5 ml OP	\$19.50	\$9.75

## Background

In October 2009, Pfizer New Zealand Pty Ltd was awarded the tender for latanoprost (Hysite); this reduced the price of latanoprost from \$19.50 to \$9.75 per pack.

The Pharmacology and Therapeutics Advisory Committee (PTAC) consider that the different prostaglandin analogues have the same or similar therapeutic effect; we note that reference pricing is currently applied to this group.