

30 July 2010

Proposal to reference price loperamide hydrochloride presentations

PHARMAC is seeking feedback on a proposal to reference price loperamide hydrochloride tablets to loperamide hydrochloride capsules. Loperamide capsules will be fully funded from 1 October 2010. If approved, this proposal would result in a reduction in the subsidy for loperamide hydrochloride 2 mg tablets (Nodia) to the level of the subsidy for the equivalent loperamide hydrochloride 2 mg capsules (Diamide Relief) from 1 December 2010.

Further details of the proposals can be found below and on the following page.

Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Friday 13 August 2010** 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 these proposals.

Details of the proposal

PHARMAC is pleased to announce its decision to fund the anti-diarrhoeal agent loperamide hydrochloride (capsule presentation) as a result of awarding the Invitation to Tender dated 4 December 2009 (2009/10 Tender) to Mylan New Zealand Limited. Diamide Relief capsules will be fully funded in Section B of the Pharmaceutical Schedule from 1 October 2010 at a subsidy and price of \$8.95 per 400.

We now propose that the subsidy for loperamide hydrochloride 2 mg tablets be reduced to the level of the subsidy for the equivalent 2 mg capsule of loperamide hydrochloride (Diamide Relief) through the application of reference pricing from 1 December 2010 as follows:

Chemical	Presentation	Brand	Pack size	Current subsidy and price	Proposed subsidy
Loperamide hydrochloride	2 mg capsule	Diamide Relief	400	\$11.50	\$8.95

Prices are expressed ex-manufacturer, excluding GST

If the supplier of loperamide hydrochloride tablets (Multichem) did not reduce its price to match the new subsidy, patients could either pay a manufacturer's surcharge to remain on loperamide hydrochloride tablets or could switch to loperamide hydrochloride capsules in order to remain on a fully funded product.

Background

Loperamide is indicated for the symptomatic control of acute and chronic diarrhoea and in reducing the volume of discharge in patients with ileostomies, colostomies, and other intestinal resections.

PHARMAC has recently tendered as separate items loperamide 2 mg capsules and loperamide 2 mg tablets in the 2009/10 Annual Multi-product tender. The tender for loperamide 2 mg capsules has been awarded to Diamide Relief for Sole Subsidised Supply and Hospital Supply Status until 30 June 2013. No tender was awarded for loperamide hydrochloride 2 mg tablets.

When considering the two tenders for loperamide hydrochloride (capsules and tablets) the Tender Medical Evaluation Subcommittee of PTAC considered there to be no clinical issues if the tablets were reference priced to the capsules.

A summary of the loperamide tender decisions will be included in the Tender Notification, in line with the usual tender notification timelines.