

9 August 2010

Proposal to list new brand of sodium chloride in Section H

PHARMAC is seeking feedback on a provisional agreement it has reached with Multichem NZ Limited.

In summary, this proposal would result in:

- Listing of the Multichem brand of sodium chloride 5 ml and 10 ml in Section B and Part II of Section H from 1 January 2011;
- A price increase for Multichem sodium chloride 20 ml injection in both Section B and Section H of the Pharmaceutical Schedule from 1 January 2011.

The proposal does not include Hospital Supply Status, so DHB Hospitals would have discretion over which brand or brands of sodium chloride they purchase. As part of the proposed agreement, PHARMAC would also agree not to delist Multichem's sodium chloride prior to 1 July 2013.

Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Monday, 23 August 2010** to:

Andrew Davies
Procurement Initiatives Manager
PHARMAC
PO Box 10 254
Wellington 6143

Email: andrew.davies@pharmac.govt.nz

Fax: 04 460 4995

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

The following products would be listed in Section B and Section H of the Pharmaceutical Schedule at the following price and subsidies from 1 January 2011:

Chemical	Presentation	Brand	Pack size	Price and Subsidy
Sodium chloride	Inj 0.9%, 5 ml	Multichem	50	\$10.85
Sodium chloride	Inj 0.9%, 10 ml	Multichem	50	\$11.50
Sodium chloride	Inj 0.9%, 20 ml*	Multichem	20	\$8.41

* Sodium chloride inj 0.9% 20 ml is already listed – the price & subsidy would be increased as set out in the table.

PHARMAC would not delist Multichem's brand of sodium chloride prior to 1 July 2013.

Background

AstraZeneca recently advised PHARMAC it plans to cease manufacturing sodium chloride for injection later this year, and that it expects its stocks will be depleted around 1 October 2010.

PHARMAC has sought to secure supplies of alternative brands, and as a result proposes to enter into the agreement with Multichem outlined above.

We are also in discussions with Pfizer New Zealand Limited about a possible agreement. Pfizer has indicated it should be in a position to supply sodium chloride 5 ml and 10 ml from 1 October 2010 through to at least January 2011, subject to some regulatory requirements being met. We will keep DHB Hospitals informed of developments, and will consult on any provisional agreement reached with Pfizer prior to decisions being made.