

27 October 2011

## Candesartan – Access Widening and Sole Supply

PHARMAC is seeking feedback on the following proposals relating to candesartan following a Request for Proposals issued in September 2011. In summary, these proposals would result in:

### Price and Subsidy Reduction for Candesartan

- The price and subsidy for Mylan's brand of candesartan (Candestar) would reduce from 1 August 2012. The subsidy for the Atacand brand of candesartan would be reduced to the same level as Candestar from 1 August 2012 via reference pricing.

### Access Changes

- From 1 August 2012 the candesartan Special Authority would be widened and the daily dose dispensing restrictions would be removed.

### Sole Supply of Candesartan

- Mylan's brand of candesartan (Candestar) would be the Sole Supply (only funded) brand of candesartan from 1 November 2012 until 30 June 2015 (Atacand would be delisted).

The proposed changes would create estimated savings in excess of \$13 million per year which would be used to fund other medicines.

## Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Friday, 11 November 2011** 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

Following a Sole Supply competitive process we propose that Mylan's brand of candesartan tablets (Candestar) is awarded Sole Supply Status and Hospital Supply Status, meaning it would be the only brand of candesartan tablets subsidised in the Pharmaceutical Schedule, and the only brand available in DHB hospitals (subject to a 1% Discretionary Variance Limit). In addition, we propose that the candesartan Special Authority is widened and the daily dose dispensing restrictions are removed. The new Special Authority would be as follows:

<p><b>INITIAL APPLICATION - ACE inhibitor intolerance</b> Applications from any relevant practitioner. Approvals valid without further renewal unless notified.</p> <p>Prerequisites (tick boxes where appropriate)</p> <p><input type="checkbox"/> Patient has persistent ACE inhibitor induced cough that is not resolved by ACE inhibitor retrial (same or new ACE inhibitor) or <input type="checkbox"/> Patient has a history of angioedema</p>
<p><b>INITIAL APPLICATION - Unsatisfactory response to ACE inhibitor</b> Applications from any relevant practitioner. Approvals valid without further renewal unless notified.</p> <p>Prerequisites (tick box where appropriate)</p> <p><input type="checkbox"/> Patient is not adequately controlled on maximum tolerated dose of an ACE inhibitor</p>

The proposed implementation timelines are as follows:

- 1 August 2012 – Price reductions for Candestar, reference pricing of Atacand, implementation of new Special Authority criteria and removal of the current daily dose dispensing restrictions.
- 1 November 2012 – Delisting of Atacand from the Pharmaceutical Schedule.
- 1 November 2012 until 30 June 2015 – Candestar would have Sole Supply Status and a 1% Discretionary Variance Limit would apply to Candestar in DHB hospitals.

The timing of the proposed changes to the prices and subsidies (ex-manufacturer, excluding GST) for candesartan in the Pharmaceutical Schedule are shown below:

Strength	Brand	Pack Size	Subsidy and Price*		
			(Price in brackets if different to subsidy)		
			Current	1 August 2012 to 31 October 2012	1 November 2012
4 mg tablet	Candestar	90	\$48.66	\$4.13	\$4.13
	Atacand	30	\$16.22	\$1.38 (\$16.22)**	Delisted
8 mg tablet	Candestar	90	\$57.90	\$6.10	\$6.10
	Atacand	30	\$19.30	\$2.03 (\$19.30)**	Delisted
16 mg tablet	Candestar	90	\$70.62	\$10.18	\$10.18
	Atacand	30	\$23.54	\$3.39 (\$23.54)**	Delisted
32 mg tablet	Candestar	90	\$115.50	\$17.66	\$17.66
	Atacand	30	\$38.50	\$5.89 (\$38.50)**	Delisted

\*Subsidies and prices ex-manufacturer, excluding GST

\*\*This is the current price, it is at the suppliers discretion as to whether this would be reduced to the subsidy level

## Background

Currently candesartan has the following Special Authority and daily dose dispensing restrictions:

Special Authority:

<b>INITIAL APPLICATION</b> Applications from any relevant practitioner. Approvals valid without further renewal unless notified.
<b>Prerequisites</b> (tick boxes where appropriate)
<input type="checkbox"/> Patient with congestive heart failure and <input type="checkbox"/> Has been treated with, and cannot tolerate, two ACE inhibitors, due to persistent cough or <input type="checkbox"/> Has experienced angioedema on an ACE inhibitor at any time in the past or who have experienced angioedema (even if not using an ACE inhibitor) in the last 2 years
or
<input type="checkbox"/> Patient with raised blood pressure and <input type="checkbox"/> Use of fully funded beta blockers or diuretics are contraindicated; or not well tolerated; or insufficient to control blood pressure adequately at appropriate doses and <input type="checkbox"/> Has been treated with, and cannot tolerate, two ACE inhibitors, due to persistent cough or <input type="checkbox"/> Has experienced angioedema on an ACE inhibitor at any time in the past or who have experienced angioedema (even if not using an ACE inhibitor) in the last 2 years

Daily dose dispensing restrictions:

Tablet Strength	Daily dose restriction
4 mg	No more than 1.5 tab per day
8 mg	No more than 1.5 tab per day
16 mg	No more than 1 tab per day
32 mg	No more than 1 tab per day