

**From:** Rachel Read

**Sent:** Wednesday, 4 March 2020 5:29 pm

s9(2)(a)

**Cc:** Lizzy Cohen s9(2)(a)

**Subject:** No surprises update - managing medicines supply

Hi s9(2)(a)

This is a 'no surprises' update for the Minister

### **COVID-19: medicines and medical device supply contingency**

With the outbreak of coronavirus, it's inevitable that there will be disruptions to supply chains – quarantines may slow or halt activities in manufacturing plants or they may impact transportation and ports. This is a global issue.

As a large number of the medicines imported to New Zealand have some or all of their manufacturing and production steps in China, PHARMAC has proactively contacted all its contracted medicine and device suppliers to seek information about any potential impacts to supply and their contingency plans. The majority have responded to confirm that they have contingency plans in place and are actively managing their supply chains.

Some medicine suppliers have advised us that they anticipate future disruptions due to supply issues, whether due to manufacturing or transportation. We are working closely with them to determine the best approach to manage potential medicine shortages, which may include temporary restrictions on dispensing volumes to ensure that all New Zealanders have access to the medicines they need.

We are also liaising closely with the Ministry of Health's National Health Coordination Centre (NHCC) about medicines and device supply issues.

### **Background**

When PHARMAC is advised that there may be a shortage of a medicine we take measures to ensure that stock is available to New Zealanders. Many stock shortages do not result in stock running out. Deciding when to implement restrictions to manage supply and to publicly notify potential impacts to supply is always a judgement call, as publicity may cause an unnecessary run on stock that will result in negative consequences. We work with Medsafe, DHBs, DHB agents like NZHP, the Pharmacy Guild and other pharmacy-representative groups when deciding what public notice is required and when.

Most medicine suppliers under PHARMAC contracts are required to keep a minimum stock in New Zealand equal to two months demand. There is typically another four-six weeks' worth of stock in New Zealand across the wholesale and retail supply chain, and many medicines are dispensed three-months all-at-once, so patients have a good volume of supply at home. Some PHARMAC medicines contracts (for example some oral antibiotics) have a greater minimum stock holding requirement, for example four months.

PHARMAC contracts place the onus on the medicine and medical device suppliers to source alternatives if there is likely to be an interruption to continuity of supply or to pay for the cost of an alternative that PHARMAC finds. Medicines suppliers can, for example,

source alternatives from elsewhere in their own global supply chain or work with competitors to bring in replacement products from other markets.

Anecdotally, we understand that New Zealand experiences fewer out of stocks than other countries and we believe this is due to the number of sole supply arrangements we have. Suppliers are better able to predict and manage their supply chains to meet New Zealand's demand and their contractual obligations can ensure that they get to the 'front of the queue' globally if manufacturers are allocating stock.

We have created a page on our website which we will update as the situation evolves. See <https://www.pharmac.govt.nz/information-for/coronavirus-covid19/>

### Managing paracetamol supplies

The active pharmaceutical ingredient (raw material) manufacturing sites for paracetamol are currently closed due to quarantine and other restrictions connected with Covid-19, the main site for global manufacture being in China. It is unclear when normal supply of this raw material will resume.

There is currently sufficient stock in New Zealand available to meet four months normal demand, but it's important that we carefully manage access to this stock to ensure that all New Zealanders who need funded paracetamol over the coming months will have access to it.

Paracetamol is an important funded medicine for many people in New Zealand, over 365 million funded tablets are dispensed each year. PHARMAC will be reducing the volume that can be dispensed per patient (except where endorsed for chronic use) and putting in place monthly dispensing arrangements (rather than three monthly).

This will be enacted via a mid-month pharmaceutical schedule update. We intend to notify pharmacies of this change next week on **Monday 9 March 2020**, and we will be asking them to implement the dispensing restriction from that day onwards.

This will allow the contracted supplier (and potentially other suppliers if necessary) time to secure additional stock until normal supply of the raw material has resumed.

If you require any further information please let me know

Regards Rachel

Rachel Read | Policy Manager, Engagement and Implementation

---

PHARMAC | PO Box 10 254 | Level 9, 40 Mercer Street, Wellington

s9(2)(a) | P: +64 4 460 4990 | F: +64 4 460 4995 | s9(2)(a)

[www.pharmac.govt.nz](http://www.pharmac.govt.nz)

**From:** Sarah Fitt  
**Sent:** Friday, 6 March 2020 12:32 pm  
**To:** PHARMAC Board Members s9(2)(a)  
**Subject:** PHARMAC - Update on paracetamol dispensing Out of Scope

Dear Board members,

An update to below.

We are notifying the sector this afternoon of the change in dispensing volumes for paracetamol which will come into effect on Monday 9 March.

s9(2)(a)

I will update you when we get more information

Sarah

Sarah Fitt | Chief Executive

---

PHARMAC | Te Pātaka Whaioranga | PO Box 10-254 | Level 9, 40 Mercer Street, Wellington  
s9(2)(a) P: +64 4 460 4990 | Out of Scope | www.pharmac.govt.nz

**From:** Lizzy Cohen s9(2)(a)  
**Sent:** Wednesday, 4 March 2020 5:33 PM  
**To:** PHARMAC Board Members <[BM@Pharmac.govt.nz](mailto:BM@Pharmac.govt.nz)>  
**Subject:** PHARMAC No surprises update to the Minister - managing medicines supply

Kia ora,

Please find below for your information a copy of a “no surprises” to the Minister of Health which has just been sent.

### **COVID-19: medicines and medical device supply contingency**

With the outbreak of coronavirus, it's inevitable that there will be disruptions to supply chains – quarantines may slow or halt activities in manufacturing plants or they may impact transportation and ports. This is a global issue.

As a large number of the medicines imported to New Zealand have some or all of their manufacturing and production steps in China, PHARMAC has proactively contacted all its contracted medicine and device suppliers to seek information about any potential impacts to supply and their contingency plans. The majority have responded to confirm that they have contingency plans in place and are actively managing their supply chains.

Some medicine suppliers have advised us that they anticipate future disruptions due to supply issues, whether due to manufacturing or transportation. We are working closely with them to determine the best approach to manage potential medicine shortages, which may include temporary restrictions on dispensing volumes to ensure that all New Zealanders have access to the medicines they need.

We are also liaising closely with the Ministry of Health's National Health Coordination Centre (NHCC) about medicines and device supply issues.

### **Background**

When PHARMAC is advised that there may be a shortage of a medicine we take measures to ensure that stock is available to New Zealanders. Many stock shortages do not result in stock running out. Deciding when to implement restrictions to manage supply and to publicly notify potential impacts to supply is always a judgement call, as publicity may cause an unnecessary run on stock that will result in negative consequences. We work with Medsafe, DHBs, DHB agents like NZHP, the Pharmacy Guild and other pharmacy-representative groups when deciding what public notice is required and when.

Most medicine suppliers under PHARMAC contracts are required to keep a minimum stock in New Zealand equal to two months demand. There is typically another four-six weeks' worth of stock in New Zealand across the wholesale and retail supply chain, and many medicines are dispensed three-months all-at-once, so patients have a good volume of supply at home. Some PHARMAC medicines contracts (for example some oral antibiotics) have a greater minimum stock holding requirement, for example four months.

PHARMAC contracts place the onus on the medicine and medical device suppliers to source alternatives if there is likely to be an interruption to continuity of supply or to pay for the cost of an alternative that PHARMAC finds. Medicines suppliers can, for example, source alternatives from elsewhere in their own global supply chain or work with competitors to bring in replacement products from other markets.

Anecdotally, we understand that New Zealand experiences fewer out of stocks than other countries and we believe this is due to the number of sole supply arrangements we have. Suppliers are better able to predict and manage their supply chains to meet New Zealand's demand and their contractual obligations can ensure that they get to the 'front of the queue' globally if manufacturers are allocating stock.

We have created a page on our website which we will update as the situation evolves. See <https://www.pharmac.govt.nz/information-for/coronavirus-corvid19/>

### **Managing paracetamol supplies**

The active pharmaceutical ingredient (raw material) manufacturing sites for paracetamol are currently closed due to quarantine and other restrictions connected with Covid-19, the main site for global manufacture being in China. It is unclear when normal supply of this raw material will resume.

There is currently sufficient stock in New Zealand available to meet four months normal demand, but it's important that we carefully manage access to this stock to ensure that all New Zealanders who need funded paracetamol over the coming months will have access to it.

Paracetamol is an important funded medicine for many people in New Zealand, over 365 million funded tablets are dispensed each year. PHARMAC will be reducing the volume that can be dispensed per patient (except where endorsed for chronic use) and putting in place monthly dispensing arrangements (rather than three monthly).

This will be enacted via a mid-month pharmaceutical schedule update. We intend to notify pharmacies of this change next week on **Monday 9 March 2020**, and we will be asking them to implement the dispensing restriction from that day onwards.

This will allow the contracted supplier (and potentially other suppliers if necessary) time to secure additional stock until normal supply of the raw material has resumed.

Ngā mihi  
Lizzy

Lizzy Cohen | Board Secretary/Executive Advisor

---

PHARMAC | PO Box 10 254 | Level 9, 40 Mercer Street, Wellington

s9(2)(a)

P: +64 4 460 4990 | F: +64 4 460 4995 | [www.pharmac.govt.nz](http://www.pharmac.govt.nz)

**From:** Lizzy Cohen s9(2)(a)  
**Sent:** Tuesday, 24 March 2020 10:26 am  
**To:** PHARMAC Board Members <BM@Pharmac.govt.nz>  
**Subject:** PHARMAC - copy of 'no surprises' to the Minister re restriction on supply of hydroxychloroquine

Kia ora

Please find below for your information and in confidence, a copy of a 'no surprises' to the Minister of Health sent this morning.

**'No surprises' - restriction on supply of hydroxychloroquine**

There has been a lot of interest around the use of hydroxychloroquine for treatment of COVID-19 cases, although there has not been any specific evidence to confirm its efficacy for this indication. Effective from today PHARMAC has restricted funded access to this medicine in order to preserve the continuity of supply of it for existing patients and for new patients needing it for its registered indications.

We are proposing to restrict the funded supply to the following indications only (i.e. Medsafe approved indications);

- Active rheumatoid arthritis
- Systemic and discoid lupus erythematosus
- Malaria treatment
- Malaria suppression

PHARMAC is aware that several DHBs will be taking part in Randomised Clinical Trials for the treatment of COVID-19, including use of hydroxychloroquine. DHB hospitals will be purchasing medicines for use in these trials from sources outside of the contracted suppliers, meaning this will not impact supply for funded patient groups.

Communications will be going out to pharmacies, prescribers, wholesalers, distributors and suppliers this morning.

Ngā mihi  
Lizzy

Lizzy Cohen | Board Secretary/Executive Advisor

---

PHARMAC | PO Box 10 254 | Level 9, 40 Mercer Street, Wellington  
s9(2)(a) | P: +64 4 460 4990 | F: +64 4 460 4995 | [www.pharmac.govt.nz](http://www.pharmac.govt.nz)

**From:** Rachel Read

**Sent:** Tuesday, 24 March 2020 6:06 pm

s9(2)(a)

Lizzy

Cohen s9(2)(a)

s9(2)(a)

**Subject:** No surprises - influenza vaccines supply

Hi s9(2)(a)

This is a no surprises update for the Minister on influenza vaccine.

Due to the situation with COVID-19 and an emphasis on completing influenza vaccinations before COVID-19 dominates the health sector, General Practitioners and other vaccinators have been ordering influenza vaccines at higher than expected rates. This, coupled with bringing forward the vaccination start date for eligible people, has resulted in the exhaustion of the current vaccine stocks held by the distributor.

All stock in NZ has either already been delivered or is already committed for delivery to pharmacies, medical centres, and other clinics. It is important to note that all orders received by the distributor, by 20 March 2020, have been filled, meaning that it is likely that all vaccinators have received some stock.

This means eligible people will still be able to receive their influenza vaccinations, but stock may start to run low at individual pharmacies or medical centres if there is high demand from eligible people.

894,000 influenza vaccines were in NZ when the vaccination season commenced, and the next shipment of 140,000 vaccines is due to be ready for distribution to vaccinators by 6 April 2020.

A further shipment of 300,000 influenza vaccines is being sent from the Netherlands, but a timeframe for receiving this has not been established due to international flight restrictions. We are working with the suppliers and airlines to ensure this stock reaches NZ as soon as possible.

We will be providing messaging to the Ministry of Health for the Director General of Health's stand up for tomorrow on not stock piling medicines and to reiterate earlier messages that the influenza vaccine is, until 13 April, only for those people who are funded to receive it.

If you require further information about the influenza vaccines please let me know.

Regards Rachel

Rachel Read | Policy Manager, Engagement and Implementation

---

PHARMAC | Te Pātaka Whaioranga | PO Box 10 254 | Level 9, 40 Mercer Street, Wellington

s9(2)(a) | P: +64 4 460 4990 | s9(2)(a)

[www.pharmac.govt.nz](http://www.pharmac.govt.nz)

**From:** Jane Wright s9(2)(a)

**Sent:** Monday, 30 March 2020 4:17 pm

s9(2)(a)

**Cc:** Rachel Read s9(2)(a); Lizzy Cohen s9(2)(a)

**Subject:** No Surprises - Fluoxetine

Hi s9(2)(a)

This is a 'no surprises' update for the Minister.

### **Fluoxetine**

Fluoxetine hydrochloride is a funded medicine that is indicated for treatment of depression. We fund both a capsule and a tablet presentation, although the tablet is funded specifically for patients unable to swallow capsules. There are approximately 19,000 people on the dispersible tablets and 76,000 people on the capsules.

We are writing to you to advise you that we expect there to be a short term shortage of the capsule form of fluoxetine.

The next delivery to New Zealand of 50,000 units of fluoxetine capsules was expected to be dispatched on 25 March from Bangalore, however India has gone into lockdown which has impacted this shipment. The supplier is working to get the stock air freighted to New Zealand and we are supporting them with logistics. Assuming logistics issues can be resolved, it is likely that capsules will be available for distribution within NZ within the next one to two weeks.

We expect that most patients will have sufficient supplies of fluoxetine capsules at home, to last them for the next two weeks.

There are no other alternative brands of fluoxetine available in New Zealand that we could fund, however we are exploring the option to source stock of brands supplied in Australia as a contingency.

If you require further information about fluoxetine please let me know.

*kind regards*

*Jane Wright | senior communications advisor (media)*

---

PHARMAC | Te Pātaka Whaioranga | s9(2)(a)

[www.pharmac.govt.nz](http://www.pharmac.govt.nz)

Email: [media@pharmac.govt.nz](mailto:media@pharmac.govt.nz)

s9(2)(a)