

4 February 2014

Progressing to a request for proposals for the supply and distribution of compression hosiery for the treatment of venous leg ulcers

PHARMAC would like to notify suppliers, DHBs, service providers and treating clinicians that PHARMAC's interest in this area is now expected to be progressed further via a request for proposals (RFP) for the supply and distribution of compression hosiery for the treatment of venous leg ulcers (VLU).

This is expected to be issued within the next few months. We expect to publish the RFP on PHARMAC's website, the Government Electronic Tender Service (GETS) and send it directly to suppliers and other interested parties that responded to the initial request for information.

We would like to thank suppliers, DHBs, service providers and treating clinicians who took the time to respond to the request for information (RFI) on a proposal to fund compression bandages and hosiery for the treatment of VLU dated 24 May 2013 (<http://www.pharmac.health.nz/news/item/compression-bandages-and-hosiery-for-the-treatment-of-venous-leg-ulcers>).

Background

Compression hosiery

Following the RFI dated 24 May 2013, PHARMAC has obtained sufficient information to indicate that running a RFP for the supply and distribution of compression hosiery is likely to be the best option at this stage.

The RFP could result in listing agreements with two or more suppliers and/or distributors of compression hosiery for the treatment of VLU. We will provide additional information in the RFP when it is issued within the next few months.

Compression bandages

After reviewing the responses to the RFI and obtaining further advice, we do not expect to progress a proposal to list compression bandages in Section B of the Pharmaceutical Schedule (community listings). We do not expect to include compression bandages in the RFP discussed above for compression hosiery.

The listing of compression bandages in Part III of Section H of the Pharmaceutical Schedule (hospital listings) has been progressed as part of a registration of interest (ROI) which was issued on 23 August 2013. PHARMAC is now consulting on a proposal to list a range of wound care products with certain suppliers. More information on ROI and the consultation can be found on our website (<http://www.pharmac.health.nz/news>).

Feedback received in response to RFI (key themes)

DHBs, service providers and treating clinicians

The majority of responses from DHBs, service providers and treating clinicians were from nurses with an interest in the funding of compression bandages and hosiery for the treatment of VLU in the community.

Some of the key themes that came through were as follows:

Theme	Comments
Funding	<ul style="list-style-type: none"> • Most DHBs currently fund compression bandages while funding for compression hosiery remains inconsistent amongst different DHBs. • DHBs that currently fund compression hosiery normally fund the first pair only. • Once a VLU has healed, most patients cannot afford to continually self-fund compression hosiery to prevent the recurrence of VLU. Recurrence of VLU leads to greater costs to DHBs in the long-term.
Services	<ul style="list-style-type: none"> • Specially trained nurses are primarily involved in the assessment, measurement and provision of compression bandages and hosiery. • Some patients are referred to Orthotists for the assessment, measurement and provision of compression hosiery. These are usually (but not always) where patients require customised compression hosiery. • Specially trained nurses and Orthotists are the main providers of education and training to patients on the appropriate use of compression hosiery.
Bandage and hosiery	<ul style="list-style-type: none"> • Some of the key factors that should be considered when assessing compression bandages and hosiery are comfort, cost, range, quality, evidence, durability, company support and training for nurses. • Having at least two suppliers for compression hosiery is strongly recommended. • Made to measure/customised hosiery is needed.
Benefits of compression hosiery	<ul style="list-style-type: none"> • Compression hosiery is the 'gold standard' for the prevention and management of VLU. • Reduces nursing time, improved self-care and healing rates. • Well tolerated by patients and gives patients the ability to carry out everyday activities. • Able to be provided in the community. • Prevention of VLU is more cost-effective than healing a VLU due to costs associated treatment.
Ordering and distribution	<ul style="list-style-type: none"> • Compression bandages are currently ordered, stocked and dispensed at the appropriate wards in DHB hospitals. • Stocking compression hosiery in clinical areas is not recommended. Ordering stock from supplier and direct delivery to patients is preferred.

Suppliers

Some of the key themes that came from supplier responses were as follows:

Theme	Comments
Supply arrangement	The majority of suppliers preferred a dual or multiple supplier arrangement while some suppliers expressed an interest in sole supply arrangements.
Supply term	Most suppliers preferred contract duration of 2-3 years with rights of renewal.
Other comments	<ul style="list-style-type: none"> • Most suppliers noted that education, training and dedicated customer

Theme	Comments
	<p>support was essential for any suppliers of compression hosiery.</p> <ul style="list-style-type: none"> • Some suppliers expressed an interest in an open tender process. • Most suppliers expressed the need for a quality product, which met international manufacturing and medical standards (e.g. RAL standard) and supporting clinical evidence of efficacy. • Some suppliers expressed a need to consider new technology to achieve cost efficiencies. • Some suppliers noted the importance of different distribution models.

More information

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