

## Weekly media and issues update

For the week ending: 6 March 2020

PHARMAC Senior Leadership Team	PHARMAC Communications Team
Minister of Health Press Secretaries	Minister of Health Private Secretary
Ministry of Health Deputy Director General System Strategy and Policy	Ministry of Health Manager System Stewardship
Ministry of Health Relationship Manager	Ministry of Health Media Team

This update may contain personal or sensitive information that must not be disclosed or forwarded to anyone other than the recipients listed above.

### On call communications advisor

Senior communications advisor Jane Wright is on call. The on-call media phone number is 021 863 342.

### Communications team

- Jannel Fisher, communications manager – s9(2)(a)
- Jane Wright, senior communications advisor – s9(2)(a)
- Cameron Webb, communications advisor – s9(2)(a)

## Upcoming issues and events

Subject	Timeframe	Details
Paracetamol supply issue	<i>Proactive</i>	<p>PHARMAC is placing temporary dispensing limits on Government-funded paracetamol from Monday 9 March 2020.</p> <p>We updated our website at before 5pm today (<a href="http://pharmac.govt.nz/paracetamol">pharmac.govt.nz/paracetamol</a>) and emailed information to our community pharmacies and asked the RNCGP to cascade it to their members. We have sent a press release to the media.</p> <p>A no surprises briefing was sent the Minister of Health on Wednesday 4 and we have been discussing with the Minister's press secretaries today.</p> <p>The communications about paracetamol was planned for Monday 9/3 but international media coverage and direct questions from the media have pushed it forward.</p>

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### Media responses

Subject	Media outlet	Details
COVID 19 and medicine supply	RNZ NZ Herald Sunday Star Times	We responded to questions this week from RNZ and the NZ Herald on the impact of COVID-19 on medicine supply. On Friday we received further questions from RNZ and the Sunday Star Times, which we have responded to with a media wide media release on the supply of paracetamol and PHARMAC's approach to the shortage. Director of operations Lisa Williams gave interviews to RNZ and the Sunday Star Times.
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Influenza	Stuff RNZ	We responded to questions this week on the amount of influenza vaccine doses that will be available from 1 April. Working closely with the MoH media team on our responses to influenza vaccines.
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Written Parliamentary Question responses sent this week

Requestor	Request	Response
Shane Reti	2791 (2020). Dr Shane Reti to the Associate Minister of Health: In response to reply 1745 (2020), when the Minister said "It is vitally important people get their vaccinations", would she be concerned if pharmaceutical companies increased the price for private vaccinations when flu vaccine stocks ran low in 2019?	The Ministry of Health and PHARMAC have no control over the price of vaccines on the private market.
Dan Bidois	2840 (2020). Dan Bidois to the Minister of Health (28 Feb 2020): What steps, if any, have been taken to ensure continuity of supply of medicines manufactured in China (if any) in the wake of the COVID-19 outbreak?	<p>PHARMAC is maintaining close contact with its contracted medicine and device suppliers. Suppliers have contingency plans in place and are actively managing their supply chains. 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.</p> <p>Pharmaceutical suppliers under PHARMAC contracts are required to keep a minimum stock in New Zealand equal to two months' demand. There is typically another four to six weeks' worth of stock across the wholesale and retail supply chain. Some medicines (for example some oral antibiotics) have a greater minimum stock holding requirement, such as four months.</p> <p>PHARMAC is working closely with the Ministry of Health's National Health Coordination Centre (NHCC) in its response planning process.</p>

**No surprises and communications updates sent to Ministers Office this week**

Date	Information supplied
<p>4 March 2020</p> <p>Managing medicines supply</p>	<p><b>COVID-19: medicines and medical device supply contingency</b></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We are also liaising closely with the Ministry of Health's National Health Coordination Centre (NHCC) about medicines and device supply issues.</p> <p><b>Background</b></p> <p>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.</p> <p>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.</p>

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.

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