

24 May 2013

## **Request for information on a proposal to fund compression bandages and hosiery for the treatment of venous leg ulcers**

PHARMAC is interested in receiving information from suppliers, DHBs, service providers and treating clinicians on the use and supply of:

- compression bandages for the treatment of venous leg ulcers
- compression hosiery for the treatment of venous leg ulcers
- compression hosiery butlers; and
- compression hosiery top bands.

As a part of this process PHARMAC would welcome any expressions of interest from suppliers who would be interested in pursuing a listing agreement with PHARMAC. Any listing agreement arising from this process would be on a non-exclusive basis. In the future PHARMAC may decide to conduct a competitive process which could result in an exclusive listing agreement (or agreements).

### ***Background***

At the end of 2011, PHARMAC received an application for the funding of compression hosiery for the treatment of venous leg ulcers (VLU) to be considered in the community. The application was reviewed by the Dermatology Subcommittee of PTAC (Dermatological Subcommittee) at its' 15 May 2012 meeting. It recommended that compression hosiery be listed on the Pharmaceutical Schedule with a medium priority and it also recommended that compression bandages for the treatment of venous leg ulcers be listed in the future.

PHARMAC does not currently fund compression bandages or hosiery for the treatment of VLU or otherwise. We understand that compression bandages are currently funded by the majority of DHBs, while the funding of compression hosiery for VLU may be inconsistent across DHBs (i.e. not funded in certain regions).

PHARMAC is interested in progressing a listing (fully funded) for compression hosiery and bandages for the treatment of VLU in Section B of the Pharmaceutical Schedule in order to ensure consistent funding for compression bandages and hosiery across all DHBs, improve funded access, obtain financial gains for DHBs and health gains for patients.

### ***Request for information***

PHARMAC staff have approached clinicians, specialist nurses and other relevant stakeholders in preparation of this RFI. However, given that this is a new area of activity for PHARMAC, we are seeking further information from clinicians, DHBs, suppliers, service providers and other interested parties. Our questions are grouped as follows:

- Suppliers and wholesalers (see Appendix 1)
- DHBs and Service Providers (see Appendix 2)
- Clinicians and specialist nurses (see Appendix 3)

You are welcome to provide feedback on any questions within this RFI, regardless of the grouping.

To provide feedback, please submit your answers in writing by **5:00 pm Friday 5 July 2013** to:

Marcus Kim  
Procurement Manager  
PHARMAC

Email: [marcus.kim@pharmac.govt.nz](mailto:marcus.kim@pharmac.govt.nz)  
Fax: 04 460 4995  
Post: PO Box 10 254, Wellington 6143

### ***Information requested under the Official Information Act***

We are not able to treat any part of your feedback as confidential unless you specifically request that we do. If you would like us to withhold any commercially sensitive, confidential proprietary, or personal information included in your submission, please clearly state this in your submission and identify the relevant sections of your submission that you would like withheld.

Feedback we receive is subject to the Official Information Act 1982 (OIA) and we will consider any request to have information withheld in accordance with our obligations under the OIA.

### ***Process going forward***

At this stage, PHARMAC expects to do the following:

1. Release of request for information on Friday, 24 May 2013;
2. Feedback due by Friday, 5 July 2013;
3. Evaluation of feedback in July 2013;
4. Further discussion with submitter(s), if necessary, in August 2013;

If, following consideration of feedback, PHARMAC decides to progress a potential listing:

5. Consulting on various proposals to list different type(s) and brand(s) of compression bandages and hosiery in September 2013;
6. PHARMAC Board or its delegate to consider various proposals, including consultation feedback, to fund compression bandages and hosiery in September/October 2013;
7. Implementation of funding proposals October/November 2013;

Please note that the above timeframes are approximate only and may be extended if the process takes long than anticipated.

If you have any questions about this RFI, please contact:

Christine Chapman                      Email: [christine.chapman@pharmac.govt.nz](mailto:christine.chapman@pharmac.govt.nz)  
Therapeutic Group Manager      Telephone: (04) 916 7569

Marcus Kim                                Email: [marcus.kim@pharmac.govt.nz](mailto:marcus.kim@pharmac.govt.nz)  
Procurement Manager              Telephone: (04) 901 3207

We look forward to receiving your feedback.

## Appendix 1: Questions for Suppliers and Wholesalers

1. What type(s) and brand(s) of compression bandages and/or hosiery (for the treatment of VLU) do you currently supply to the New Zealand market?
2. What is your annual volume sold to DHB Hospitals or DHB funded Service Providers for these products?
3. Do you currently hold any contracts for supply of compression bandages and/or hosiery for the treatment of VLU to DHB hospitals or DHB funded Service Providers, if so:
  - a. what items does the contract(s) cover?
  - b. what is the duration of the contract(s) and when will it expire?
  - c. does the contract(s) include any pricing mechanism such as rebates, discount on invoice, bonuses, volume adjusted pricing etc? If so, what is the impact on the price to DHB Hospital or DHB funded Service Provider?
  - d. What other features does the contract include? Is there any services or 'value add' covered?
4. What is the current net price (exclusive of GST) for your brand of compression bandages and/or hosiery for the treatment of VLU currently being supplied to the New Zealand market?
5. Do you supply the full range of compression bandages and hosiery products necessary for the treatment of VLU?
6. Are you able to source and supply custom made hosiery for individual patients? If so where are these sourced from, what is the lead time and net price of these items?
7. PHARMAC understands that a re-manufacturing service is available in the UK. Are you able to provide such a service for New Zealand patients whereby the hosiery is reconditioned for future use by the patient?
8. What are your distribution arrangements in New Zealand?
9. If your products are not currently being supplied to the New Zealand market, what would be the lead-time (in months) to get stock into New Zealand?
10. Are there any practical issues regarding compression bandages and/or hosiery for the treatment of VLU that you consider PHARMAC should take into account when reviewing funding proposals for these items.
11. If, in the future, a competitive process were conducted for compression bandages and/or hosiery for national supply agreement, would you have a preference for a specific type of agreement (e.g. sole supply, dual supply, multiple supplier)? Please explain the reason for your preference.
12. If, in the future, a competitive process were conducted for compression bandages and/or hosiery for the treatment of VLU, what would be your preferred duration of any resulting agreement(s)? Please specify reasons for your preference.

13. Please provide any additional information you consider may be of assistance to PHRMAC in conducting a competitive process for the supply of compression bandages and/or hosiery for the treatment of VLU.

## **Appendix 2: Questions for DHBs and Service Providers**

1. Do you currently fund compression bandages and/or hosiery for the treatment of VLU? If yes, what type of funding arrangement do you have?
2. If the answer to question 1 is yes, what is the length of treatment time and level of funding that the DHB provides – i.e. are patients dispensed just the one pair or does the patient receive funded hosiery throughout their treatment?
3. If available, approximately how many patients are treated with compression hosiery and/or bandages for the treatment of VLU by you each year?
4. How do the bandages and hosiery get issued/ dispensed to the patient?
5. What type(s) and brand(s) of compression hosiery and/or bandages do you use for the treatment of VLU?
6. What is your current procedure for ordering and storage of compression hosiery and/or bandages for the treatment of VLU?
7. Do you have supply contracts with suppliers for VLU compression hosiery and/or bandages?
8. If yes to Question 7, which supplier(s) and what type(s) and brand(s) of VLU compression hosiery and bandages does the contract cover?
9. Who is the key contact(s) that PHARMAC should contact for further information or clarification?
10. What do you consider are the key factors to consider when assessing different brands and types of compression hosiery and bandages for the treatment of VLU?

### **APPENDIX 3: Questions for Clinicians and Specialist Nurses**

1. Do you have preferences for a particular type of compression bandage/hosiery for the treatment of VLU? If so, please provide an explanation on the feature(s) and the clinical or practical benefits of the particular type and brand of compression bandage/hosiery.
2. In your view, what are the key benefits of compression hosiery for the treatment of VLU?
3. Are you aware of any other emerging treatments for the treatment of VLU that may or may not be currently funded by DHBs?
4. Are there any other relevant matters that should be taken into account when considering funding for a specific type or brand of compression hosiery and/or bandaging for the treatment of VLU?