

9 December 2013

Proposal to list a range of Wound Care products supplied by Mölnlycke Health Care Pty Limited

PHARMAC is seeking feedback on a proposal to list a range of wound care products supplied by Mölnlycke Health Care Pty Limited ("Mölnlycke") in Part III of Section H of the Pharmaceutical Schedule from 1 February 2014.

In summary, this proposal would result in:

- Around 200 wound care products which are already supplied to some DHB Hospitals being supplied under a proposed national agreement that all DHBs may purchase under, subject to consultation and approval ("Agreement"). This Agreement is not a sole supply agreement, and DHBs may continue to purchase other suppliers brands of wound care products.
- Mölnlycke providing educational services including information on indications, contraindications and appropriate use of the wound care products included in the Agreement, to be organised with each DHB to suit its needs.
- Estimated total savings to DHBs of approximately \$160,000 per annum based on current usage. Pricing for wound care products in the Agreement, subject to any prior termination of the Agreement would not be increased before January 2017.

Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Tuesday, 24 December 2013** to:

Bela Jones
Procurement Manager
PHARMAC
PO Box 10 254
Wellington 6143

Email: devices@pharmac.govt.nz

All feedback received before the closing date will be considered by PHARMAC's Board (or its delegate) prior to making a decision on this proposal. We appreciate that this consultation comes close to the Christmas period, and that it may not be convenient for all parties to provide a submission within that timeframe. Please contact us if you would like to discuss the timing of your submission outside this timeframe. Please note that extending the timeframe past Early/Mid January 2014 is likely to delay the potential savings to DHBs.

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. Anyone providing feedback, whether on their own account or on behalf of an organisation, and whether in a personal or professional capacity, should be aware that the content of their feedback and their identity may need to be disclosed in response to an OIA request.

We are not able to treat any part of your feedback as confidential unless you specifically request that we do, and then only to the extent permissible under the OIA and other relevant laws and requirements. 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 it withheld. PHARMAC will give due consideration to any such request

Details of the proposal

PHARMAC has entered into an Agreement with Mölnlycke for a range of wound care products, largely dressings and bandages. The exact product range and pricing in this proposal has not been included in this consultation for brevity, however we are making it available to Procurement Departments at DHBs. Brand ranges in the agreement include:

- Collar n Cuff
- Elset
- HyperGel
- Lyofoam Max
- Mefix
- Melgisorb
- Mepiform
- Mepilex
- Mepiseal
- Mepitac
- Mepitel
- Mepore
- Mesalt
- Mesorb
- Mextra
- NormlGel
- Notac
- Polysling
- Setocrepe
- Setopress
- Stockinette
- Tubifast
- Tubigrip
- Tubinette

If the Agreement is approved by PHARMAC's Board or its delegate, Mölnlycke's range of wound care products would be listed in Part III of Section H of the Pharmaceutical Schedule, which contains products with national agreements that DHBs are able to purchase under.

The Agreement includes terms for education services to be provided by Mölnlycke to DHB personnel on appropriate use of its wound care products, which is to be provided at times as agreed with individual DHBs.

The Agreement also includes a minimum order fee of \$25 that will be payable for orders less than or equal to \$200 for the first 12 month period, increasing thereafter to \$50. Orders can be made up of a mixture of Mölnlycke's range of wound care and surgical products.

Wound care products would be listed in Part III of Section H of the Pharmaceutical Schedule. We propose that the wound care products would not be individually listed in the printed Section H of the Pharmaceutical Schedule, but rather a reference made in Part III of Section H to an electronic source available on our website in an Excel spreadsheet format, and a PDF document.

Background

In August 2013 PHARMAC issued a registration of interest document, seeking proposals from suppliers for non-exclusive national agreements for wound care products. Following the closure of this request, we have been working with a number of suppliers in order to seek to reach an agreement with them. The Mölnlycke Agreement is the first of these and we aim to consult on additional proposed agreements over the next couple of months, provided we can reach agreement with the suppliers.