

11 March 2014

Proposal to list a range of Surgical Sutures and Wound Care products supplied by Universal Specialties Ltd Limited

PHARMAC is seeking feedback on a proposal to list a range of Surgical Sutures and Wound Care products ("Medical Devices") in Part III of Section H of the Pharmaceutical Schedule (Optional Pharmaceuticals) from 1 May 2014 as a result of a provisional agreement ("Agreement") with Universal Specialties Ltd (USL)

In summary, this proposal would result in:

- listing around 1135 Surgical sutures currently offered for supply to the New Zealand market in primary care organisation's and the private sector, and
- listing around 324 Wound Care products currently offered for supply in DHB Hospitals, primary care organisation's, and private Hospitals.
- Surgical sutures being offered for supply in a proposed national agreement that all DHBs may purchase under at PHARMAC negotiated rates. The Suture pricing offers significant savings to DHB's if they opt to trial and change over to these products.
- Wound Care products being offered for supply in a proposed national agreement that all DHBs may purchase under, pricing is cost neutral to the pricing negotiated by Health Alliance for the DHBs that came into effect on 1 November 2013.
- USL providing educational services on the correct use of their Medical Devices, and conversion services and stock control options if required. This would be done based on the requirements of DHB Hospitals and tailoring of all services would be offered in line with DHB Hospital requirements as requested

The proposal is subject to consultation and approval. DHBs would continue to be able to choose which medical devices they wish to purchase and from which supplier(s).

Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Monday, 31 March 2014** to:

Maree Hodgson
Procurement Manager
PHARMAC
PO Box 10 254
Wellington 6143

Email: devices@pharmac.govt.nz

Fax: 04 460 4995

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.

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

USL's range of Medical Devices would be listed in Part III of Section H of the Pharmaceutical Schedule from 1 May 2014.

The medical devices included cover a range of requirements and are offered in a variety of materials. The sutures come in Absorbable and Permanent materials and foil presentations, with and without needles. Attached needles come in a range of shapes and sizes for all applications. The wound care products range from basic bandages through to multifunctional advanced wound care dressings. All the Medical Devices offered are WAND registered and have CE certification. The sutures offered have been in production since 1962 and are widely used in over 50 countries. They are all manufactured in accordance with US and European Standards and have TGA approval.

Brand ranges in the agreement include:

SURGICAL SUTURES

AssuCryl
AssuCryl Ophthalmic
AssuCryl Lactin
AssuCryl Rapid

Assut Astralen
Assut Silk
Assut Silk Ophthalmic
Assut Nylon

AssuCryl MonoSlow
AssuCryl MonoRapid

Assut Polypropylene
Assut Surgical Steel

WOUNDCARE

3NS Tex
Altrazeal
Atrauman
Cosmopor
Coverflex
Dermaplast
DJO
DG Medihoney
Hartmann
Hydrocoll
HydroFilm
Hydrosorb
Hygia
Idealcrepe
KeloCote
Kerralite
KerraPro
Lastodur
Lastolan
Lastopress
Lastotel
Medicomp
Medihoney
Niltac
Omnifix
Omniplast

Omnistrip
Pehahaft
PermaFoam
Plastrona
PolyMax
PolyMem
PolyWic
Procure
Relevo
Rhena Therm
Rolta
Sillesse
Sorbalgon
Stulpa
Stulpa-Fix
TenderWet
USL Dynafix-H
USL Dynamic
USL Medical
USL Medical Paper Tape
USL Medical Transparent
USL Sport Economy
Varolast
Veno 4
Zetuvit
ZetuvitPLUS

If the Agreement is approved by PHARMAC's Board or its delegate, USL's range of Medical Devices 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 USL to DHB personnel on appropriate use of its Medical Devices, which is to be provided at times as agreed with individual DHBs.

The Agreement includes terms for an inventory management system if it is required for stock management of surgical sutures and a patient direct delivery service for wound care products if required.

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.

The range of Medical Devices would be listed in Part III of Section H of the Pharmaceutical Schedule. We propose that the Medical Devices 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 the May 2013 consultation, Surgical Sutures and Wound Care products were identified as 2 of the 11 categories PHARMAC would be working on as part of the phased plan for PHARMAC to progressively take on managing hospital medical devices. Following on from the close of that consultation, a direct approach to the known suppliers in the New Zealand market, with comprehensive Surgical suture ranges was made in September 2013. This approach was in the form of a request for a submission to PHARMAC for a listing on the Pharmaceutical schedule. The USL Agreement is one of the first of these and we aim to consult on additional proposed agreements over the coming months, subject to agreement being reached with the suppliers.

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 USL Agreement is one of the first of these and we aim to consult on additional proposed agreements over the coming months, provided we can reach agreement with the suppliers.

The range of products available would not be altered by this proposal and DHBs would continue to be able to choose which medical devices they purchased.