

30 October 2014

Proposal for sole supply of infliximab in DHB hospitals

Following a Request for Tender for infliximab issued on 2 September 2014 (RFT), PHARMAC is seeking feedback on a proposal to:

- award Hospital Supply Status (the only available brand in DHB hospitals, subject to a 10% discretionary variance (DV) limit) to Janssen-Cilag Pty Ltd's brand of infliximab (Remicade) from 1 March 2015 to 29 February 2020.

As Remicade is currently the only funded brand of infliximab there would be no disruption to patients from this proposal.

Further details of this proposal, including how to provide feedback and background information, can be found on the following page.

Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **5 pm, Wednesday 12 November 2014** to:

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Email: jackie.evans@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

- From 1 January 2015 the price of Remicade listed in Part II of Section H (the Hospital Medicines List or HML) of the Pharmaceutical Schedule would be reduced as follows (ex-manufacturer and excluding GST):

Chemical	Presentation	Brand	Pack size	Current Price	Proposed Price
Infliximab	Inj 100 mg	Remicade	1	\$1,227.00	\$806.00

- A confidential rebate would also apply to Remicade which would reduce the price further to DHBs.
- Remicade would be awarded Hospital Supply Status (the only available brand of infliximab in DHB hospitals, subject to a 10% discretionary variance limit) for all currently funded indications from 1 March 2015 to 29 February 2020.
- For the avoidance of doubt, this proposal, if approved, would not result in a widening of hospital restrictions in the HML for the use of infliximab.

Background

Infliximab is currently listed in the HML with Restrictions for a variety of auto-immune conditions including rheumatoid arthritis, Crohn's disease and ulcerative colitis. It is a chimeric monoclonal antibody that binds to human tumour necrosis factor alpha (TNF α). Infliximab is administered by intravenous infusion in DHB hospitals and used at various doses depending on the disease setting, typically 3-5 mg/kg every 6-8 weeks.

The Remicade brand of infliximab (supplied by Janssen-Cilag) is currently the only brand of infliximab available and funded in New Zealand. Biosimilar brands of infliximab have been approved overseas and are currently undergoing evaluation by Medsafe. The availability of biosimilar brands of infliximab provided PHARMAC with an opportunity to promote competition, reduce the cost of infliximab, and reduce DHB hospital spending in the process.

In September 2014, PHARMAC ran an RFT process for the sole supply of infliximab in DHB hospitals. The bids received arising out of the RFT were reviewed by the Evaluation Committee which recommended that Janssen-Cilag's bid should be accepted by PHARMAC's Board. PHARMAC's Board (or its delegate) has the sole discretion to decide whether or not to accept Janssen-Cilag's bid for infliximab and is not obliged to act in accordance with any recommendation of the Evaluation Committee.

This proposal, if approved, would result in significant savings to DHBs and there would be no change for patients as Remicade would remain the only funded brand of infliximab.