

5 February 2015

Proposal to List a Range of Wound Care Products Supplied by Convatec (New Zealand) Limited

PHARMAC is seeking feedback on a proposal to list a range of wound care products supplied by Convatec (New Zealand) Limited ("Convatec") in Part III of Section H of the Pharmaceutical Schedule from 1 April 2015.

In summary, this proposal would result in:

- Around 110 wound care products which are already supplied to DHB Hospitals being supplied by Convatec 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.
- Convatec providing educational services that will be tailored to suit the needs of individual DHB Hospitals in format and time as required by DHB Hospitals.
- The proposal is cost neutral to the pricing negotiated by Health Alliance for the DHBs that came into effect last year. Subject to any agreed amendments or prior termination of the Agreement, the prices for products in the Agreement will not be increased before 1 April 2018.

Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Friday, 20 February 2015** to:

Marcus Kim
Devices Category Manager
PHARMAC
PO Box 10254
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.

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

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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 ConvaTec for a range of wound care products in the dressings and bandages categories of wound care. 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:

- Aquacel Range*
- Carboflex Range
- Convacare Range
- Duoderm Range
- Kaltostat Range
- Niltac Range
- Silesse Range
- Surepress Bandages
- Versiva Range

*Please note that PHARMAC will only be listing the new Aquacel AG Extra range of dressings. ConvaTec has notified the market and PHARMAC that it has decided to replace its old Aquacel Ag range with the new Aquacel Ag Extra range. Aquacel AG Extra will be available to all DHBs at the same price per size as the old Aquacel AG range.

If the Agreement is approved by PHARMAC's Board or its delegate, ConvaTec'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 ConvaTec to DHB personnel on appropriate use of its wound care products, which would be provided at times as agreed with individual DHBs.

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 listed in the printed Section H of the Pharmaceutical Schedule, but rather in an Addendum to Part III of Section H 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 reach an agreement with them. ConvaTec was one of these suppliers.