

2 December 2015

## Proposal to list ranges of Interventional Cardiology, Suture and Wound Care products supplied by Intermed Medical Limited

PHARMAC is seeking feedback on a proposal to list ranges of interventional cardiology, suture and wound care products supplied by Intermed Medical Limited ("Intermed") in Part III of Section H of the Pharmaceutical Schedule from 1 February 2016.

In summary, this proposal would result in:

- 479 products (108 interventional cardiology, 313 suture, 58 wound care) which are already supplied to DHB Hospitals, being supplied by Intermed under a proposed national agreement that all DHBs may purchase under, subject to consultation and approval. This agreement is not a sole supply agreement, and DHBs may continue to purchase other suppliers' brands of these products.
- Intermed would continue providing educational services that will be tailored to suit the needs of individual DHB Hospitals in format and time as required by DHB Hospitals.
- Estimated total savings to DHBs of approximately \$42,000 (\$30,000 interventional cardiology, \$12,000 wound care and cost-neutral for sutures) per annum based on current usage of Intermed products.
- Pricing for products in the agreement, subject to any prior termination of the agreement, would not be increased before 1 February 2019.
- This PHARMAC Agreement supersedes any existing DHB contracts with Intermed for the devices listed in Schedule One of this Agreement.
- If a device purchased by a DHB is listed in this Agreement the price paid by the DHB (and charged by the Supplier) must be at the Price as stated in the Agreement, effective from the date of listing on the Pharmaceutical Schedule.
- Interventional Cardiology devices not listed on the Pharmaceutical Schedule may still be purchased by DHBs, and DHBs are under no obligation to purchase devices from Intermed.

### Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Wednesday 23 December 2015** to:

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PHARMAC  
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Email: [rob.turner@pharmac.govt.nz](mailto:rob.turner@pharmac.govt.nz)

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All feedback received before the closing date will be considered by PHARMAC's Board (or its delegate) prior to making decisions on these proposals.

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 a provisional agreement with Intermed for ranges of interventional cardiology, suture and wound care products. The exact product ranges and pricing in these proposals has not been included in this consultation for brevity, however we are making it available to Procurement Departments at DHBs. Brand ranges include:

#### **Interventional Cardiology:**

Fountain	Prelude	Teleflex
Merit	Ringmaster	Torque
NeoFlex		

#### **Suture:**

Quill	Sharpoint
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#### **Wound Care:**

Actisorb	Keragel	Promogran
Adaptic	Keramatrix	Silvercell
Bioclusive	Kerasorb	Topper
Exciton	Nu-Derm	Tielle
Inadine	Nu-gel	

If the agreement is approved by PHARMAC's Board or its delegate, Intermed's ranges of interventional cardiology, suture and 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 Intermed to DHB personnel on appropriate use of its products, which is to be provided at times as agreed with individual DHBs.

## **Background**

In the May 2013 PHARMAC consultation, interventional cardiology, surgical sutures and wound care products were identified as 3 of the 11 categories PHARMAC would be working on as part of the phased plan for PHARMAC to progressively take on the management of hospital medical devices.

- **Wound Care** - 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, Intermed responded to this request.
- **Sutures** - In September 2013 a direct approach to the known suppliers in the New Zealand market, with comprehensive surgical suture ranges was made. This approach was in the form of a request for a submission to PHARMAC for a listing on the Pharmaceutical schedule and Intermed responded to this request.
- **Interventional Cardiology** - In April 2014 PHARMAC issued a registration of interest document, seeking proposals from suppliers for non-exclusive national agreements for interventional cardiology products. Following closure of this request, we have been working with a number of suppliers seeking to reach an agreement with them.

This agreement is one of a number of provisional agreements arising from these processes, and we intend to consult on additional proposed agreements over the next few months for interventional cardiology and sutures.