

21 December 2015

Filgrastim and methotrexate prefilled syringe proposal with Novartis New Zealand Ltd

PHARMAC is seeking feedback on a proposal involving filgrastim and methotrexate prefilled syringes, resulting from a provisional agreement with Novartis New Zealand Ltd. This arose from an Alternative Commercial Proposal in response to consultation on the 2015/16 Invitation to Tender. Both medicines are currently listed in the Pharmaceutical Schedule.

In summary, this proposal would result in:

- a price reduction for both strengths of filgrastim prefilled syringes (Zarzio); and
- a price reduction for all strengths of methotrexate prefilled syringes (Methotrexate Sandoz).

Feedback sought

PHARMAC welcomes feedback on this proposal. To provide feedback, please submit it in writing by **Friday, 15 January 2016** to:

Andrew Park	Email: andrew.park@pharmac.govt.nz
Therapeutic Group Manager	Fax: 04 460 4995
PHARMAC	Post: PO Box 10 254, Wellington 6143

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

Filgrastim prefilled syringes (Zarzio)

- The price and subsidy for filgrastim prefilled syringes (Zarzio) would be reduced in Section B and Part II of Section H of the Pharmaceutical Schedule from 1 March 2016 as follows (ex-manufacturer, excluding GST):

Chemical	Formulation	Brand	Pack size	Current price and subsidy	Proposed price and subsidy
Filgrastim	Inj 300 mcg per 0.5 ml prefilled syringe	Zarzio	5	\$540.00	\$270.00
Filgrastim	Inj 480 mcg per 0.5 ml prefilled syringe	Zarzio	5	\$864.00	\$432.00

- A new confidential rebate would apply to Zarzio, reducing the net price.
- Zarzio would have subsidy and delisting protection until 30 June 2018.
- No changes are proposed to the Special Authority criteria in Section B of the Pharmaceutical Schedule, or the restriction to oncologists or haematologists in Part II of Section H of the Pharmaceutical Schedule (HML).

Methotrexate prefilled syringes (Methotrexate Sandoz)

- The price and subsidy for methotrexate prefilled syringes (Methotrexate Sandoz) would be reduced in Section B and Part II of Section H of the Pharmaceutical Schedule from 1 July 2016 as follows (ex-manufacturer, excluding GST):

Chemical	Formulation	Brand	Pack size	Current price and subsidy	Proposed price and subsidy
Methotrexate	Inj 7.5 mg prefilled syringe	Methotrexate Sandoz	1	\$17.19	\$14.61
Methotrexate	Inj 10 mg prefilled syringe	Methotrexate Sandoz	1	\$17.25	\$14.66
Methotrexate	Inj 15 mg prefilled syringe	Methotrexate Sandoz	1	\$17.38	\$14.77
Methotrexate	Inj 20 mg prefilled syringe	Methotrexate Sandoz	1	\$17.50	\$14.88
Methotrexate	Inj 25 mg prefilled syringe	Methotrexate Sandoz	1	\$17.63	\$14.99
Methotrexate	Inj 30 mg prefilled syringe	Methotrexate Sandoz	1	\$17.75	\$15.09

- Methotrexate Sandoz would have subsidy and delisting protection until 30 June 2018.

Background

In response to PHARMAC's consultation on the 2015/16 Invitation to Tender, Novartis New Zealand Ltd submitted an Alternative Commercial Proposal (ACP) involving filgrastim prefilled syringes (Zarzio) and methotrexate prefilled syringes (Methotrexate Sandoz).

Filgrastim prefilled syringes (Zarzio) are listed in the Pharmaceutical Schedule in the Blood Colony-stimulating Factors area of the Blood and Blood Forming Organs Therapeutic Group. Filgrastim is indicated for reduction in the incidence and/or duration of neutropenia in a variety of clinical situations and for the mobilisation of autologous peripheral blood progenitor cells in preparation for allogeneic stem-cell transplant.

Methotrexate prefilled syringes (Methotrexate Sandoz) are listed in the Pharmaceutical Schedule in the Antimetabolites area of the Oncology Agents and Immunosuppressants Therapeutic Group. However, methotrexate prefilled syringes are indicated for active rheumatoid arthritis in adults, polyarthritic forms of severe, active juvenile idiopathic arthritis (JIA), severe forms of psoriasis vulgaris, and severe psoriatic arthritis.

This ACP forms the basis of PHARMAC's provisional agreement with Novartis New Zealand Ltd and, if approved, would result price and subsidy reductions for Zarzio and Methotrexate Sandoz, subject to the provisional agreement's terms. All products would remain fully funded and no product or restriction changes are proposed.