



Consultations

Consultation on the draft 2023/24 Invitation to Tender (for healthcare professionals)

24 July 2023

Overview

Te Pātaka Whaioranga – Pharmac is seeking feedback from healthcare professionals, medical groups, hospital pharmacies, and other interested parties on the draft 2023/24 Invitation to Tender.

Consultation closes at 5 pm on Monday 28 August 2023

Email feedback to tender@pharmac.govt.nz

We're particularly interested in feedback on:

- would a brand change for any of the medicines included in the draft tender list be not appropriate, and why?
- what are the circumstances that might require delaying or avoiding a brand change for these medicines?
- are there any particular features of the products that we should be considering when evaluating potential products?
- what are the potential benefits, issues or consequences of enabling the entire prescription for any of these products to be dispensed all at once?
- what potential benefits, issues or consequences could occur from removing any existing funding restrictions (e.g. Special Authority criteria) from the medicine?
- which medicines, indications (uses), or population groups might need funding for an alternative brand if a brand change were to occur, and why?
- are the proposed Additional Special Terms included in the draft 2023/24 Tender contract appropriate?

We welcome any other feedback you may wish to provide. Please contact us if you wish to discuss the anything in this consultation.

We are also seeking feedback from suppliers and people who take medicines.

- [Suppliers consultation](#)
- [Consumers consultation](#)

Please share this consultation with others who you think might be interested. We want to hear feedback from a range of people. All tender documents and consultations are available on the Pharmac website: pharmac.govt.nz/consultations-and-decisions

About the tender

Pharmac's annual tender is used to contract for supply of medicines. Most of these medicines are already funded in New Zealand and are no longer under patent.

The tender helps to secure the ongoing supply of medicines and generates savings. These savings can be used to fund new medicines. Each year, some of the medicines on the Pharmaceutical Schedule (the list of funded medicines) are included in the annual tender. Although the tender is run annually, the list of medicines included in it changes from year to year. Typically, each medicine is tendered every three years.

Before we run the tender each year, we seek feedback from healthcare professionals, consumer groups, the pharmaceutical industry and the public. This can tell us if:

- tendering is appropriate for each medicine
- there are any potential issues when considering a change in brand for a particular medicine

We get expert advice on every decision we make from Pharmac's [Tender Clinical Advisory Committee](#). The committee is made up of healthcare professionals, including, doctors, nurse practitioners, and pharmacists. We'll also seek additional advice from specialists in particular fields, such as cancer or mental health, as needed.

The feedback and advice we get makes sure our decision support New Zealanders to live longer, healthier lives.

What the tender means

If we award a tender for a medicine to a pharmaceutical supplier, then that supplier's brand becomes the principal funded brand of that medicine. It would likely be the only brand of that medicine funded on the Pharmaceutical Schedule (Principal Supply Status) until 30 June 2027.

If the brand awarded the tender was already the only funded brand, there would be no noticeable difference for most people, although the price that Pharmac pays may change.

If that brand was one of multiple funded brands, we would transition from the various funded brands to the brand that has been awarded the tender (and therefore would have Principal Supply Status) over time. The other brands would be removed from the Pharmaceutical Schedule. Usually, this transition lasts for five months.

If that brand was not already funded, we would transition from the old brand to the new one over time. The new brand is listed on the Pharmaceutical Schedule, and there is then a period of time when both the old and new brands would be available and funded. The old brand is then removed from the Pharmaceutical Schedule. Usually, this transition lasts for five months. We notify of any upcoming changes at least one month before any changes occur.

Access to other brands if a tender is awarded to a new brand

Most people will start on, or transition to, the new brand easily. However, we understand that people's experiences when taking medicines may be different. We use a mechanism called

an “alternative brand allowance, which lets us support people who may experience, or are at heightened risk of, adverse outcomes from a brand change. This may mean:

- moving back to the old brand after adverse side effects
- having a longer time period of time in which to change brands
- allowing some patients to avoid switching altogether.

The structure of the tender gives Pharmac the flexibility to fund alternative brands in different ways. For example:

- in hospitals, we expect to continue to use the Discretionary Variance provisions in the Schedule. This lets hospitals purchase alternative brands up to a certain percent of volume, typically 5 percent
- in the community, alternative brands could be funded through listing (or maintaining the listing of) other brands under strict Special Authority criteria, or
- managing case-by case approvals through our Exceptional Circumstances framework.

While Pharmac can fund alternative brands, continued supply of a particular alternative brand cannot always be guaranteed. It is helpful to understand what products might need access to alternative brands before we run the tender.

We are keen to understand:

- which medicines, indications, or population groups might need funding for an alternative brand, and if so, why?
- are there any particular features of the products that we should be considering when evaluating potential products?

Other potential changes

Because the tender can result in substantial price reductions, this allows us to use the savings to fund new medicines. The savings can also be used to fund changes to the tendered products. For example:

- if the product is currently partially funded, it would become fully funded if the tender was awarded
- the product could be added to the ‘stat’ dispensing list, which would mean that people could collect prescriptions dispensed as a three-month supply (rather than monthly)
- if funding criteria apply to a product (for example, a Special Authority restriction, endorsement, or prescriber-type restriction), we might change or remove funding restrictions to enable more people to use it. We might consult on this separately prior to making a decision.

We are interested in your feedback on potential changes for the medicines we are tendering. You can see the Pharmaceutical Schedule for all dispensing and funding restrictions: [schedule.pharmac.govt.nz/latest/Schedule.pdf](https://www.pharmac.govt.nz/latest/Schedule.pdf)

The tender list

The list of medicines that we are proposing to include in this year’s tender is included as Appendix One.

Most of the items in the tender have been included in the annual tender before. However, the following products have not been tendered previously:

Tendered Item

<p>Ferrous fumarate with ascorbic acid</p> <ul style="list-style-type: none"> • Tab long-acting 325 mg (105 mg elemental) with ascorbic acid 500 mg
<p>Perindopril with amlodipine</p> <ul style="list-style-type: none"> • Tab 2 mg – 2.5 mg • Tab 4 mg – 5 mg • Tab 8 mg – 10 mg
<p>Ramipril with felodipine</p> <ul style="list-style-type: none"> • Tab 2.5 mg with felodipine 2.5 mg
<p>Levodopa with carbidopa and entacapone</p> <ul style="list-style-type: none"> • Tab 100 mg with carbidopa 25 mg and entacapone 200 mg • Tab 125 mg with carbidopa 31.25 mg and entacapone 200 mg • Tab 150 mg with carbidopa 37.5 mg and entacapone 200 mg
<p>Nepafenac</p> <ul style="list-style-type: none"> • Eye drop 0.3%
<p>β-hCG low-sensitivity urine test kit</p> <ul style="list-style-type: none"> • Test Kit

Additional Special Terms

Additional Special Terms have been included in the draft 2023/24 Tender contract for somatropin injections. This clause would require any potential suppliers to offer education, training and support resources to patients and healthcare professionals, and related products required for the safe handling and use of the supplier's somatropin product (such as associated devices, needles, needle clippers, sharps bins). The full Additional Special Terms for somatropin can be found in the draft 2023/24 Tender contract on the Pharmac website.

- Any feedback on these Additional Special Terms would be useful to inform the final contract.

Medicines have been grouped according to the therapeutic group classification system used in the Pharmaceutical Schedule. Below is a list of these groups, and the corresponding page numbers. Medicines with indications that may apply to multiple therapeutic groups only appear in one group.

Therapeutic group	Pages
Alimentary Tract and Metabolism	15-16
Blood and Blood Forming Organs	16
Cardiovascular System	16-19
Dermatologicals	19-20
Genito-Urinary System	20-21
Hormone Preparations	21-22
Infections – Agents for Systemic Use	22-23
Musculoskeletal System	23-24

Therapeutic group	Pages
Nervous System	24-28
Oncology and Immunosuppressants	28-30
Respiratory	30
Sensory Organs	30-31
Various	31

Information provided for each medicine

For each medicine (as defined by chemical name, form, and strength), we have provided:

- the current subsidy paid per unit (e.g. capsule, tablet, injection) as of 1 July 2023. These values are ex-manufacturer excluding GST
- the number of units funded in the community per year in the year ending 30 June 2022. These may be partially funded or full funded
- an estimate of the annual community market value based on the current subsidy paid per unit. This is estimated by multiplying the volume of units used in the year ending 30 June 2022 by the current listed unit subsidy as of 1 July 2023
- comments specifically relating to the tender item and/or its current listing on the Pharmaceutical Schedule

Hauora Arotahi – Māori health areas of focus

Pharmac is continually working to develop and implement advances in Hauora Arotahi to support equitable health outcomes for Māori. [Pharmac's Māori health areas](#) of focus voiced by whānau Māori are available [on our website](#). The draft 2023/24 tender includes treatments for mental health, heart health (such as medicines to treat high blood pressure and prevent stroke), respiratory health, and cancer (lung and breast), outlined in tables below.

Chemical Name	Line Item
<i>Cancer – lung and breast</i>	
Carboplatin	Injection
Cisplatin	Injections
Epirubicin	Injection
Fluorouracil sodium	Injections
Letrozole	Tablets

Chemical Name	Line Item
<i>Heart health – high blood pressure and stroke</i>	
Atenolol	Tablets
Candesartan	Tablets
Clonidine	Injections and Tablets
Dobutamine	Injection

Chemical Name	Line Item
<i>Mental health</i>	
Buspirone hydrochloride	Tablets
Dexamfetamine sulphate	Tablets
Disulfiram	Tablets
Lithium carbonate	Capsules – immediate release and long acting
Lorazepam	Tablets
Methadone hydrochloride	Oral liquid
Moclobemide	Tablets
Varenicline tartrate	Tablets
Zopiclone	Tablets

Chemical Name	Line Item
Felodipine	Tablets long-acting
Glyceryl trinitrate	Injections
Lisinopril	Tablets
Perindopril	Tablets
Perindopril with amlodipine	Tablets
Quinapril	Tablets
Ramipril	Capsules or Tablets
Ramipril with felodipine	Tablets

Explanation of terms, symbols, and abbreviations

Most terms and abbreviations used are self-explanatory. “Tab” means tablet, “cap” means capsule, “liq” means liquid, “inj” means injection, “suppos” means suppository, “grans” mean granules and “OP” means original pack to be dispensed.

Symbols used in the draft tender list:

Symbol	Explanation
Underlined	Medicine line items where a sole supply or principal supply contract is in force are underlined. The price and subsidy for these medicines are fixed until 30 June 2023 unless otherwise stated in the comments column and a listing of a new brand could only occur after that date.
C	To be tendered for Principal Supply Status (community medicines).
H	To be tendered for Principal Supply Status (hospital medicines).
PCT	Pharmaceuticals Te Whatu Ora - Health New Zealand hospitals may claim a subsidy through Section B of the Pharmaceutical Schedule.
+	Pharmac has been advised of the existence of a patent.
*	There is no fully funded product available for this line item (in relation to community supply).
@	Additional Stock Pharmaceuticals (ASP). The supplier of the successful tender bid would be required to hold additional stock.
#	A rebate currently exists.

Key dates

24 July 2023 – Consultation begins

28 August 2023 – Consultation closes

September 2023 –Tender Clinical Advisory Committee meets

November 2023 – Release of final Invitation To Tender

January 2024 – Earliest tender results announced

April 2024 – Earliest listing of new brands

Providing feedback

Feedback should be provided to the tender analysts via email: tender@pharmac.govt.nz

All feedback received before the closing date will be considered by Pharmac’s Board or its delegate before finalising the 2023/24 Invitation to Tender.

Your feedback may be shared

Feedback we receive is subject to the Official Information Act 1982 (OIA). 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.