

27 January 2014

## Approval of agreement for Applied Medical New Zealand Limited supply of Disposable Laparoscopic Medical Devices

PHARMAC is pleased to announce the approval of an agreement with Applied Medical New Zealand Ltd (Applied Medical) for the supply of a selection of disposable laparoscopic devices. This was the subject of a consultation letter dated 11 December 2013 which can be found on PHARMAC's website at <http://www.pharmac.health.nz/medicines/hospital-devices>.

In summary, the effect of the decision is that

- a range of Applied Medical's disposable laparoscopic medical devices will be listed in section H, Part III, of the Pharmaceutical Schedule ('Optional Pharmaceuticals') from 1 February 2014.
- DHB hospitals can purchase these items either directly from Applied Medical or through a designated third party logistics provider under the national agreement.
- For DHBs that currently use these products, joining the national agreement will deliver savings.

### Details of the decision

PHARMAC has entered into an agreement with Applied Medical for the supply of a selection of disposable laparoscopic medical devices to be listed on the Pharmaceutical Schedule. This means that DHB hospitals may purchase these products under the national agreement at the new pricing.

The list of products is available on our website at <http://www.pharmac.health.nz/medicines/hospital-devices>, in both a pdf document and an excel spreadsheet.

There are estimated savings to DHBs that currently use these products of approximately \$660,000 per annum nationally, based on current usage. If Applied Medical increases its market share, these savings may be greater.

The agreement is not exclusive or mandatory. DHBs can continue to purchase other suppliers' brands of these products at their discretion.

Education and product training services will be provided by Applied Medical to DHB personnel at times as agreed with individual DHBs.

## Feedback received

We appreciate all of the feedback that we received and acknowledge the time people took to respond. All consultation responses received by 24 December 2013 were considered in their entirety in making a decision on the proposed changes. Most responses were supportive of the proposal, and the following issues were raised in relation to specific aspects of the proposal:

Theme	Comment
Some submitters indicated savings would be made for their DHBs	These submissions were useful in supporting our analysis of the agreement.
Submitters wanted to know if other suppliers would be considered for listings	PHARMAC has requested proposals from other suppliers and is still willing to consider such proposals.
Overall submitters supported having Applied Medical's range of products listed in the Pharmaceutical Schedule as long as other options are available	The agreement is not exclusive or mandatory. DHBs can continue to purchase other suppliers' brands of these products at their discretion

## More information

If you have any questions about this decision, you can email us at [enquiry@pharmac.govt.nz](mailto:enquiry@pharmac.govt.nz) or call our toll free number (9 am to 5 pm, Monday to Friday) on 0800 66 00 50.