

26 February 2014

Agreement with Smith & Nephew Limited for the Supply of Wound Care Products

PHARMAC is pleased to announce the approval of an agreement with Smith & Nephew Limited ("Smith & Nephew") for the supply of wound care products. This was the subject of a consultation letter dated 23 January 2014 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 Smith & Nephew's wound care products will be listed in Section H, Part III, ('Optional Pharmaceuticals') of the Pharmaceutical Schedule from 1 March 2014.
- DHB hospitals can purchase these items either directly from Smith & Nephew or through a designated third party logistics provider under the national agreement.

Details of the decision

Following a Registration of Interest document issued in August 2013, PHARMAC has entered into an agreement with Smith & Nephew for the supply of a selection of wound care products 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 PHARMAC's website at <http://www.pharmac.health.nz/medicines/hospital-devices>, in both a pdf document and an excel spreadsheet.

The proposal is cost neutral to the pricing negotiated by Health Alliance on behalf of the DHBs that came into effect on 1 November 2013.

The agreement is not exclusive. DHBs can continue to purchase other brands of wound care products at their discretion.

Educational services including appropriate use of the wound care products and tailoring to specific clinical indications will be provided by Smith & Nephew to DHB personnel at times as agreed with individual DHBs.

Feedback received

PHARMAC appreciates all of the feedback that it has received and acknowledge the time people took to respond. All consultation responses received by 23 January 2014 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
The proposal was supported as long as DHBs can continue to use other brands where clinically appropriate.	PHARMAC noted this feedback and confirm that the Smith & Nephew Limited Listing Agreement is non-exclusive.
It was recommended that PHARMAC obtain confirmation from Smith & Nephew Limited that all products have been notified via the WAND database and have regulatory approval in an overseas jurisdiction.	Smith & Nephew Limited provided WAND reference details as part of its response to PHARMAC's Registration of Interest.
It was noted that the proposal was a comprehensive list and it appears to have sufficient flexibility. The submitter considered the proposal should not change individual DHB evaluation processes and Smith & Nephew Limited must continue to comply with these processes.	PHARMAC noted this feedback and confirm that DHB evaluation processes remain with the DHBs.

More information

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