

17 April 2014

## Approval of agreement for Universal Specialities Limited supply of Sutures and Wound Care products

PHARMAC is pleased to announce the approval of an agreement with Universal Specialities Limited (USL) for the supply of a selection of sutures and wound care products. This was the subject of a consultation letter dated 11 March 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 USL distributed Sutures and Wound Care products will be listed in section H, Part III, of the Pharmaceutical Schedule ('Optional Pharmaceuticals') from 1 May 2014.
- DHB hospitals can purchase these items either directly from USL 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 continued assurance of supply and if clinically approved product changes are made significant savings could be delivered.

### Details of the decision

PHARMAC has entered into an agreement with USL for the supply of a selection of Sutures and 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 our website at <http://www.pharmac.health.nz/medicines/hospital-devices>, in both a pdf document and an excel spreadsheet.

There is the potential to make significant savings if DHBs wish to clinically evaluate the products offered and elect to change their product mix.

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 USL to DHB personnel at times as agreed with individual DHBs.

USL can also provide stock control options for their products if DHBs require this level of product support.

## Feedback received

We appreciate all of the feedback that we received and acknowledge the time people took to respond. All consultation responses received by 31 March 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
Some Submitters wanted to know if other suppliers would be considered for listings in the Suture category.	PHARMAC has requested proposals from other suppliers and is still willing to consider such proposals.
Some submitters were concerned the Assut range would be the only sutures available and that they had no experience with them in the DHB setting.	<p>The agreement is not exclusive or mandatory. DHBs can continue to purchase other suppliers' brands of these products at their discretion.</p> <p>The Assut brand currently represent around 60% of the primary care market. They have also been accepted on the Queensland State Government Contract for use in all Government hospitals.</p>
Some submitters wanted to know the full range of products on offer and in particular if an extension to a range of extra-large highly absorbent dressings was able to be considered.	Further information was provided to them and PHARMAC have followed up the requests and can confirm the ranges requested are to be included in the schedule.
Some submitters wanted to understand the education provisions and noted that supplier relationships with DHBs and their internal processes need to be respected.	PHARMAC note that the contract requires all education, training and evaluation of products be performed within the requirements of the DHB.
Some submitters expressed concern regarding choice being available and that quality and clinical evidence could be undermined by price driving decision making in DHBs.	DHBs maintain discretion over which items they purchase. Patient outcomes would be an important part of considering a savings proposal and clinical input is an integral part of the process.

## 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.